Daily Report

East Europe

FBIS-EEU-93-202
Thursday
21 October 1993

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Berisha Calls For Strengthening of Democracy

AU1910181493 Tirana ATA in English 0917 GMT 19 Oct 93

[Text] Tirana, October 19 (ATA)—At October 18 meeting with reporters, President Berisha said that according to a poll conducted two weeks ago in Albania the economic state of overwhelming majority of Albanians has improved and over 85 per cent of them appreciate the democratic process in Albania. About 90 per cent of Albanians are optimistic and believe that in a near future Albania will be democratic and economically developed. President Berisha appealed to all political forces to work with devotion to develop and strengthen democracy and market economy. The government and the opposition face great chances, President Berisha said. They should bear in mind that tolerance to the opposition is the principal request of democracy. Also the tolerance of opposition to the majority is extremely significant to the development of democracy.

Concerning general elections in Albania, President Berisha said that they would be held in 1996. Mr. Berisha also said that he is not at all surprised at the request of present Albanian opposition for new elections because it manifested lack of will to observe the outcome of free elections when it called for new elections on March 23. This statement shows that it is not development of democracy, the rule of law, and market economy that matters to the opposition but only its position. It seems that the "theory of permanent elections has replaced the theory of permanent revolution prepared by some individuals of the opposition," President Berisha said and added that they both do not lead to democracy but to dictatorship, chaos, and anarchy. This is why Albanians showed that they are not for adventures, but for the establishment of the rule of law and market economy.

The 900 days from other elections are days of complete Privatization and the Privatization Agency will play the principal role in the process.

In closing President Berisha emphasized the importance of foreign investments and congratulated all Albanian and foreign investors who have decided to invest in Albania.

Comments on Situation in Greece

AU1910181593 Tirana ATA in English 0924 GMT 19 Oct 93

[Text] Tirana, October 19 (ATA)—"Democracy wins in all free elections. The Greek people voted in the last elections not for the party in power but for the opposition. We are resolute to follow the policy of good neighborliness with Greece and foster cooperation with it, observing the principles of non interference in the home affairs, complete observation of sovereignty and integrity," President Berisha declared at October 18 meeting with reporters. Mr. Berisha said that he did not prejudice PASOK [Panhellenic Socialist Movement]. He also said that two years ago he appreciated PASOK for abolishing the law of war between Albania and Greece, the great efforts of Mr. Papoulias to bring Albania closer to Greece. "I hope that that man, who loves Albanians, also appreciates my and the Albanian Government's endeavors for friendly cooperation and understanding with his country," President Berisha said and appreciated the fact that PASOK's greater independence from the Orthodox Church. As is known, some individuals of the Orthodox Church, beginning with the dawn of the century and now too, proceeding from fundamentalist and chauvinistic tendencies, have always sown splitting and hostility between Greeks and Albanians. Thus I believe that PASOK will appreciate the great achievements of the Greek minority in Albania. It should not use minority for chauvinistic goals, like Sebastianos [Greek Archbishop] and others, Berisha said in closing and wished the new Greek Government success. Mr. Berisha also voiced his desire and resolution for a sincere cooperation, because it is in the interests of our two peoples and countries and peace and stability in the Balkans.

Asked about similarity between the latest events in Russia and destructive actions of socialists in Albania, President Berisha said that Albania cannot be compared with Russia.

Zhelev, Belarus Head of State News Conference

AU2010202393 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 20 Oct 93

[Text] [Announcer] Today Mr. Stanislav Shushkevich, chairman of the Supreme Council of the Republic of Belarus, ended a two-day visit to our country at the invitation of President Zhelyu Zhelev.

Mr. Shushkevich met National Assembly Chairman Aleksandur Yordanov, Prime Minister Lyuben Berov, and the leaders of the four parliamentary groups today.

Prior to the delegation's departure, President Zhelev and his guest gave a news conference; they stressed the significance of the fact that a bilateral interstate treaty has been signed between the two countries for the first time in their history. The treaty guarantees new dimensions of cooperation in all spheres of public life.

President Zhelev summed up the results of the visit in the following words:

[Begin Zhelev recording] Bulgaria has suffered from the drastic severance of the economic relations established within the former Soviet market. Today Bulgaria is manifesting a great interest in East European markets. Our country insists on restoring many of its former positions, though on a different basis, the more so since we are familiar with the structures of those markets. We know the tastes of the population in those countries and we are aware of numerous other specific conditions that are necessary for the successful implementation of such economic relations.

I think that the signing of the treaty and further agreements confirm our serious intentions in this respect. [end Zhelev recording]

Shushkevich Ends Visit

AU2110082193 Sofia BTA in English 1850 GMT 20 Oct 93

[Text] Sofia, October 20 (BTA)—The two-day official visit here by Mr. Stanislav Shushkevich, chairman of the Supreme Soviet of Belarus, ended today. Before the departure of the Belarus delegation, Mr. Shushkevich and Bulgarian President Zhelev gave a press conference.

They stressed once again the importance of the Treaty for Friendly Relations and Cooperation between the two countries as a basis for promoting relations in all spheres which was signed yesterday. A Protocol on the Amendment of the Agreement on Economic Cooperation and Payments of 1991, an Agreement on Cooperation in Education, Science and Culture and an Agreement on International Road Transport were also signed yesterday.

President Zhelev said that bilateral agreements on reciprocal investment protection and promotion, on avoiding double taxation and joint production, documents on cooperation in agriculture, the processing industry and veterinary services are also to be signed. According to President Zhelev it is most important to set up an intergovernmental commission on economic and scitechnical cooperation between Bulgaria and Belarus.

President Zhelev described the appointment of a Bulgarian ambassador to Minsk - Bulgarian writer Marko Ganchev, as "an important fact indicative of the earnestness of our intentions to promote bilateral relations." Dr. Zhelev added that the Bulgarian side hopes that Belarus too would open its embassy in Sofia.

President Zhelev espressed Bulgaria's readiness to help Belarus' quicker integration into the European structures and its admittance to the Council of Europe in particular "in accordance with its modest abilities and depending on the development of the democratic process in Belarus."

Dr. Zhelev also said that during the talks between the two official delegations, the Bulgarian side offered Belarus to assist it in entering Black Sea economic cooperation as an observer.

Mr. Shushkevich told journalists that the Belarus came across complete understanding here and thanked for the warm reception. In response to a question, President Zhelev said that during their talks yesterday the two sides discussed possibilities for Belarus to deliver to Bulgaria military equipment which it has to destroy in accordance with the Vienna Accords. Dr. Zhelev said that this would not be an instance of military political but of military technical cooperation.

Today the Chairman of the Supreme Soviet of Belarus had talks with National Assembly Chairman Aleksandur Yordanov. Mr. Shushkevich invited a group of Bulgarian MP's to visit Belarus and help their colleagues in drafting the new Constitution of Belarus. Mr. Shushkevich showed interest in the ways in which Bulgaria solves the problems of its transition. At meetings with the leadership of the groups the guests were acquainted with the views of the different political forces on the situation in Bulgaria.

Belarus, in which there are thousands of Muslims, will try to apply the Bulgarian model in regulating interethnic relations, representatives of the Belarus delegation said at the meeting with the leadership of the parliamentary group of the ethnic Turks' Movement for Rights and Freedoms.

Today Mr. Shushkevich had an about 30-minute meeting with Prime Minister Lyuben Berov at which the two sides once again discussed concrete possibilities for future bilateral cooperation.

Defense Minister Views Relations With NATO

LD2010203393 Sofia 24 CHAS in Bulgarian 15 Oct 93 p 12

[Interview with Minister of Defense Valentin Aleksandrov, by Lyubomir Denov: "Valentin Aleksandrov Says: Bulgaria Is Closer to NATO Than the Visegrad Four"]

[Text] [Denov] Minister, the new military attache, Rear Admiral Petur Stranchevski, is expected to arrive in Brussels very soon. What are his functions in terms of liaison with the NATO headquarters supposed to be?

[Aleksandrov] As we all know, NATO is a military and political organization, and it is quite natural that political and military questions should be closely intertwined in this respect. In this context, the military attache, who is in charge of our bilateral relations with Belgium, is expected to take over extensive tasks in connection with strengthening the cooperation between Bulgaria and NATO. I am convinced that Rear Admiral Stranchevski is the best choice for this post.

[Denov] Is it true that General Chavdar Chervenkov, the former chief of our military intelligence, was designated for the post?

[Aleksandrov] To my knowledge, General Chervenkov is one of the brightest and best educated high-ranking officers in the Bulgarian Army. There is no doubt that he would cope with the task. However, there are questions of protocol, which we are obliged to comply with. In addition to this, such a high-ranking commander is not supposed to be appointed as military attache, it is just not done.

[Denov] The members of the Visegrad Four have long since sent high-ranking officers to Brussels, with a special view to liaison with NATO—in addition to the customary military attaches. Why are we coming so late?

[Aleksandrov] I discussed the question of a Bulgarian military mission to NATO with Mr. Manfred Woerner himself during my Brussels visit in March 1993. The question whether a member country of the North Atlantic Cooperation Council should send a representative mission to NATO depends on numerous circumstances, the country's financial possibilities included. We must, however, point out one thing—namely that we are not lagging behind the other North Atlantic Council members in this respect. Furthermore, our political will for total integration and full NATO membership cannot be subject to doubts.

[Denov] Who has been in charge of our contacts with NATO headquarters so far?

[Aleksandrov] Our competent institutions, such as the Presidency, the Ministry of Foreign Affairs, and the Ministry of Defense, through our embassy in Brussels and through direct contacts, are in charge of relations with NATO headquarters. The Bulgarian Academy of Sciences is also maintaining contacts with NATO in the scientific sphere, for example.

[Denov] Our public regards our attempts to join NATO as hopeless. Do such chances really exist?

[Aleksandrov] First, I would like to express my high appreciation for our media, which, unlike on other issues, are unanimous in expressing their concern and their absolute understanding for the urgency of Bulgaria's joining NATO.

In the second place—I do not know on what your impression about the skepticism of the Bulgarian public regarding the efforts to promote Bulgaria's admission to NATO as a full member are based. I presume that a certain part of our public simply dislikes the idea. However, I am convinced that only a few people reject our NATO membership and that the majority of Bulgarian citizens support our plans. There is no alternative for our country under the current circumstances.

You are asking whether we have any chances? I do not think that this is the appropriate term, because NATO membership, like the admission to any other international organization, is neither a lottery nor a game of poker. It is a question of real state interests and, whenever they coincide, a specific result can be obtained. I do not think that Bulgaria's position is less favorable than that of other former Warsaw Pact members in this respect. The opposite is true.

[Denov] How do you evaluate [Russian President] Yeltsin's recent letter stating that NATO should not be too hasty in accepting the former Socialist countries before Russia has been admitted?

[Aleksandrov] I am not familiar with Yeltsin's letter. As far as I know, despite a certain publicity, the letter in question was a confidential message addressed to the leaders of certain NATO member countries. Hence, I cannot comment on this document.

There is, however, one question of principle, which Dr. Zhelev, the president of the republic and commander in chief of the Bulgarian Armed Forces, has confirmed, namely that Bulgaria is conducting an independent foreign policy. I recently declared in a public statement, addressing the Atlantic Association in Athens, that Bulgaria does not intend to wait for anybody's permission in deciding whether it should join NATO or not. In our view, Russia has an interest in the stability of our geographic area, hence we can essentially contribute to this stability as a NATO member.

Last but not least, let me say it is up to Bulgaria and to the other NATO member states to decide about the form of our future integration into NATO.

[Denov] Quite some time before Yeltsin's letter, [Russian Defense Minister] General Grachev warned Lajos Fur, the Hungarian defense minister, that Russia would remain isolated should the other countries join NATO.

Has your Ministry of Defense been informed through our military attache in Moscow about this?

[Aleksandrov] In the first place, regardless of the general crisis affecting Russia today, it is a nuclear superpower from the military point of view, and, as such, Russia can never be isolated. In the second place, I am convinced that certain newspapers published some rather improvised reports and pure speculations on the question of the much coveted NATO membership which some East European countries are so eager to achieve. However, I can assure you that, if I should meet my colleague Grachev in the near future, with whom I am on excellent terms, I would ask him by all means what he thinks about the subject.

[Denov] What do you think about the idea of establishing a second NATO composed of former Warsaw Pact members?

[Aleksandrov] For the time being, the NATO states are involved in efforts to formulate a new philosophy of the Alliance to meet the challenges of our time. It is difficult to say at this point under what form exactly future cooperation between the Eastern European states and NATO should be implemented. It is the essence of this cooperation that counts for us, and the main question is to what extent it conforms with our interests, with our expectations, and with our readiness for membership.

[Denov] In your opinion, is there a future for the idea of a "Balkan triangle" of confidence and security, in view of the evident controversies existing between Greece and Turkey?

[Aleksandrov] Mutual relations in the field of security among Greece, Turkey, and Bulgaria are of crucial importance for the whole region. You are actually talking about the states situated on the dividing line between NATO and the former, no longer existing Warsaw Pact. Bulgaria has excellent relations with both Greece and Turkey, on a separate basis, and in this context, we are looking at an "isosceles triangle." I hope that it will become an "equilateral" triangle in the future. However, this does not depend solely on us. The dynamic development of mutual relations between these two friendly countries depends solely on themselves, and we are neither willing to interfere, nor capable of interfering with their relations. We are happy as long as their bilateral relations are good. However, if their deterioration should lead to an accumulation of military potential in the vicinity of our borders, we should be seriously concerned.

Last but not least, I am optimistic about the future of the "equilateral triangle" and about its further transformation into a geometrical polygon.

[Denov] What do you expect from the NATO meeting scheduled for January 1994, which is specially devoted to relations with the former socialist countries?

[Aleksandrov] The NATO summit scheduled for January 1994 is viewed as an important political event. I expect it to give a more specific indication of our future relations with NATO.

IMF, World Bank Delegations Meet Cabinet

LD2010202893 Sofia BTA in English 1428 GMT 20 Oct 93

[Text] Sofia, October 20 (BTA)—There are real possibilities for considerable compensations for the losses sustained by Bulgaria as a result of the Yugoembargo. The missions of the IMF and the World Bank in this country will evaluate the losses and will propose a package of compensation measures, said Mr. Russel Kincaid, head of the IMF mission for Bulgaria, at today's meeting of these two institutions with the Bulgarian Government, a government spokesman announced.

Though according to the spokesman, the meeting did not discuss concrete indices of the parameters of the draft budget, Mr. Kincaid pointed to the necessity to curb inflation and reduce the budget deficit. According to Mr. Kincaid even the 6 percent budget deficit provided for in the draft budget is too high. The chief of the IMF mission recommended to the cabinet to consider an increase in tax revenues in 1994 as a step towards harnessing inflation.

Mr. Kincaid stressed the importance of the structural adjustment of the economy, of land restitution and the overcoming of the economic crisis. According to the mission, it is very important to settle the problem with bad debts. The IMF supports the government's project for settling this problem.

Finance Minister Stoyan Aleksandrov told the guests that state-owned enterprises were experiencing considerable difficulties. According to him, this is due to the careless attitude to their management. The efforts will be directed towards their privatization and when the damages are irreparable, to their liquidation.

Mr. John Wilton, World Bank resident representative to Bulgaria, repeatedly stressed the importance of passing a Law on Bankruptcy and said that the world bank will offer a model for saving some of the losing enterprises. According to him, the poor performance of the state-owned enterprises is due to the lack of resolution in solving their problems.

According to Mr. Annoup Singh, IMF representative for Eastern Europe, a consolidation of the political forces in Bulgaria would help the overcoming of the crisis, but the government spokesperson said that the Prime Minister expressed doubt in the possibilities for such a consolidation.

The meeting with the cabinet was preceded by talks between Prime Minister Lyuben Berov with the IMF mission. The two sides discussed non-performing

credits, the Bankruptcy Law, the consequences of the Yugoembargo and Bulgaria's relations with the IMF.

Army To Scrap 150 Tanks, Other Equipment

AU2010143793 Sofia DUMA in Bulgarian 15 Oct 93 p 2

[DUMA PRESS report: "Bulgarian Army Scraps 150 Tanks"]

[Text] By November 1995 Bulgaria must scrap 150 tanks and other armored vehicles in accordance with the Treaty on Armed Forces in Europe, Colonel Mitkov, head of the Defense Ministry's "Weapons Control" Department, announced at a news conference on 12 October.

The T-34 and SAU-100 tanks, which are veterans of World War II, mortars, and other artillery weapons will be scrapped first. Some of the combat vehicles will be converted to excavators, snow plowers, and fire combating equipment; others will be sold abroad, and yet others will become museum exhibits. Every private company licensed to trade with weapons, will be able to purchase the equipment scrapped by the Ministry of Defense. Last year we sold Russia three MiG-25 aircraft. Reportedly, we have only very few of this aircraft, and its maintenance is unprofitable from the financial point of view. The treaty does not restrict the import of weapons intended to be reexported. We are only obligated to officially report the imported quantity.

Turkey and Greece will part with their M-47 and M-48 tanks for the same reasons. The CIS countries will part with a significant number of T-61 and T-64 tanks.

So far 46 international inspections have verified our loyalty in implementing our disarmament obligations. Not a single violation has been established. Our military experts participated in nine inspections abroad. Our experts' high professionalism turns them into welcomed participants in foreign inspection groups. So far our experts have participated in inspections groups of Germany, Belgium, Slovakia, and Romania. Our experts have also been invited by Norway and Denmark.

Klaus Discusses 'Efficient Social Policy'

AU2010091293 Prague CESKY DENIK in Czech 15 Oct 93 pp 1, 14

[Article by Prime Minister Vaclav Klaus: "An Efficient Social Policy, or a Social-Market Economy"]

[Text] Most of us perceive the term market economy as a rational, efficient, and thrifty system that is—best of all known systems—capable on a long-term basis of increasing the wealth and prosperity of the entire society. If justice is mentioned, we understand a system of equal opportunity and non-discrimination. If social justice is mentioned, many people—including myself—wonder whether it is a clearly and meaningfully defined term, and ask whether a free human society is capable of eliminating the naturally arising inequality between people and whether—after the experience with socialisms of all kinds—it is reasonable and desirable to attempt something like that. Left-wing intellectuals and socialists of all hues have always used the automatically emerging income- and property-based inequality of people to place justice and market against each other as two contrary and incompatible principles and thereby justify their demands for the suppression of the market. As a slogan for these endeavors in the last decades, they assumed the notion of "social-market economy," under which, unfortunately, they understand something completely different from what the authors of this term originally meant (such a clear-cut and categorical advocate of the liberal-market policy as Ludwig Erhardt was among them). They envision a "market" system in which, not the consumer or the entrepreneur, but the state official would have the main say and the last word. This official would "rectify" the anti-social effect of the market by means of such methods as the protection of individual sectors of the economy, the regulation of prices "in the interest" of the consumer, the control of private enterprise, and, particularly, a massive redistribution of the created product through the state budget. The communist regime should have convinced everyone that this type of argumentation is an absolute demagogy. True, the operation of the market itself does not eliminate the property- and income-based inequality between people, and therefore it is the duty of the state to deal with the extreme instances. It is a duty to which we on the right wing also subscribe to implement the appropriate social policy. Nevertheless, it is also true that a reasonable social policy does not contradict the market-economy principles and does not have to suppress or replace the market, and as a matter of fact it can exist—however paradoxical it seems to be—only if the market economy functions well. Under communism, no social policy existed, except for the attempt to keep us all in the gray of the average.

What we want and need in our country are not some elaborately devised hybrids of the market economy and anti-market interventions by the state under the slogan of the "social-market economy," which the opposition keeps tossing at us, but rather a standard social policy oriented toward the assistance for those truly in need.

Such a policy is not easy, and if we want it to be meaningful, it must be based on the following fundamental principles:

1) It is not a mark of leaning to the left if one says that, in addition to the principle of responsibility for oneself, there also is a principle of solidarity, which means that people in high income brackets express their solidarity with those who for various reasons do not obtain that kind of income.

2) Another point of departure is the idea that it must be a universally conceived, generally civic principle that implies that the state must mediate the solidarity assistance from some citizens to others, provided that everybody on either side is a citizen. This neither limits nor underestimates other forms of solidarity.

3) The third, a rather new and, in the Czech Republic, often misunderstood principle, is the idea that no priority should be given to specifically defined groups—such as pensioners, farmers, families with children, ethnic minorities, aged or young people, etc.—and that it must be solely a solidarity with socially needy citizens. After all, we are well aware that some and not all members of these specific groups are needy, i.e., only some farmers, pensioners, some families with children, etc.

The criterion of social need of the citizen (and his family) is above all his income (or his property situation) with an attentive and cautious regard for his ability and willingness to earn a sufficient income on his own. The social policy must not be demotivating or encourage inactivity of the person. Therefore, the state endeavors to define a certain so-called subsistence minimum that is then considered the basic limit of civic solidarity and the central point of the state social policy. This minimum varies from country to country and there is no need to emphasize that it changes in time because it depends on the wealth and prosperity of the relevant country.

4) A very important principle of a reasonable social policy is its individual focus, which means that the state that is its bearer and guarantor provides social allowances directly to the socially needy citizens, rather than indirectly—through some non-state institutions (interest groups, trade unions, national or ethnic organizations, etc.)—because we are building on the idea that this is the only way to guarantee that the contributions will not be misused to benefit other intentions.

5) Finally, a principle that is just as important as those aforementioned is a certain indifference of the state regarding the way the citizens will use their social assistance, such as how they will spend the means provided by the state. This principle is still subject to disputes in the world—should the state give money to socially needy people without asking how they will use it? What if they will spend it on booze or gamble it away?

Should the state condition social allowances by the way of their application? Would food stamps be better for poor people than money? I tend to accept the conclusions based on the adverse experiences with nonpecuniary forms of assistance in the world. The fact that social policy cannot have any other objective but to give the socially needy people an opportunity to benefit from the proffered helping hand can serve as a supplementary argument. Whether they actually make use of it must depend only on them themselves.

In any case, it is obvious that we in the Czech Republic are not facing the dilemma of "social assistance yes or no." We are about to fine tune a new concept of social policy based on these principles, and we are to consistently implement the thus conceived policy, which must conform to the market and, at the same time, contribute to the relief of the social situation of those who truly need help. If I reject expressions of the "socially market" or "socially environmentally market" economy type, I am not doing it because I reject social policy or the principle of social solidarity as such, but because these compound opposites have been used (and still are) to defend and promote something that has very little in common with the market economy and efficient social policy.

Havel on European Integration, NATO Membership

LD2010170293 Prague CTK in English 1140 GMT 20 Oct 93

[Text] Warsaw, Oct 20 (CTK)—Although a new government in Poland has not yet been set up I see no reason for postponing my visit there, Czech President Vaclav Havel told Polish journalists on the eve of his departure for Warsaw.

Havel added that by his visit he wanted to demonstrate efforts at maintaining the best possible relations between the Czech Republic and Poland regardless of changing governments.

I am looking forward to meeting Polish President Lech Walesa, as I consider him my friend, Havel said. He said he also wanted to meet with his other Polish friends regardless of whether they are in the government, parliament or nowhere.

Havel said the Czech Republic and Poland are connected by many experiences from the time of Communism and especially by common experiences of their peoples. On both sides of our common border we understand very well what manipulation of human souls and human lives means, he said.

Havel voiced the view that the Visegrad four countries (the Czech Republic, Poland, Slovakia and Hungary) should orient themselves to not only common declarations but rather to concrete regional cooperation. We should coordinate our steps towards European integration but no country could submit to the others or wait for the rest, Havel said. It is impossible to work out analogical decisions for all. Each country should accumulate its strength and create its own concept while cooperating with others where it is possible and appropriate, Havel said. He said the Visegrad countries should remove Communist institutions and at the same time show to the West that they are capable of cooperating. We have all this already behind us. The Warsaw Treaty ceased to exist and Moscow domination is no longer a threat, Havel said.

We want to be an equal partner and to accept part of the responsibility for the future of not only our region but of the whole Europe, Havel said, referring to the question of the Czech Republic's possible joining the North Atlantic Treaty Organisation (NATO). At the same time he expressed the hope that democratic forces in Russia would realise that our eventual membership in NATO is not directed against their country. Certainly there are forces in Russia which see a threat in the West, but this is rather their own problem than ours because this threat does not exist, Havel stressed.

Minister Ruml Comments on Moscow Talks

AU2010142793 Prague CTK in English 2238 GMT 16 Oct 93

[Text] Prague, Oct 16 (CTK)— The Czech and Russian Interior Ministries should increase their cooperation in the monitoring of organized crime and in identifying criminals, Czech Interior Minister Jan Ruml said on his return from a two-day working visit to Moscow.

Ruml's talks with his Russian counterpart Viktor Yerin concerned above all the prepared agreement between the ministries of both countries on the fight against drug and weapons trafficking, blackmailing gangs, prostitution and other forms of organized crime.

In connection with today's meeting with Russian Security Minister Nikolay Golushko and the possibility of opening the question of former KGB employees and collaborators on Czech territory, Ruml said that in Russia there was a certain discontinuity in the management of the security field. Conditions for such negotiations had not existed in the past, but could not now be avoided, he said. This is a theme open to the future, he added.

Russia is a world power, and even in a situation which is not entirely stable it is imperative that the Czech Republic negotiate with the leaders of Russian security forces, he said, adding that it would be very irresponsible not to, since such negotiations were very significant for the security situation in the Czech Republic. Prejudice and the awareness of the present instability in Russia had to be laid aside, he said.

Addressing the issue of the information about their intelligence services which both sides exchanged, Ruml said that the Russian Interior Ministry, including the former KGB, had somewhat different powers than those

of the Czech Security and Information Service (BIS). Unlike the BIS, employees of the Russian service have the power of arrest. We know about it, and we are somewhat on our guard, because this is a very powerful institution. He said the Russian Interior Ministry has about 130,000 employees working in counter-intelligence, and 180,000 protecting the country's borders.

Ruml said that he considered it important to carry on similar talks with his Ukrainian partners, and a meeting with them should take place in the near future.

Minister Dyba Reports Growth of Exports

AU2010145593 Prague CTK in English 1605 GMT 18 Oct 93

[Text] Prague, Oct 18 (CTK)— Exports now make up almost one-half of the Czech Republic's gross domestic product (GDP), announced Czech Economics Minister Karel Dyba at a press conference today.

This figure reflected the Czech economy's dependence on exports and corresponded to its gradual development, he added.

Exports grew by 13.6 percent in the first eight months of this year, compared to the same period in 1992, he said. Machines and equipment exports grew 33.9 percent. The engineering industry maintains a strong position in exports, compared to other fields, as its rate of growth has also increased proportionally faster.

The minister emphasized that this development was much better than the development of such exports in other European countries, especially in Hungary and Poland.

The most advantageous export, according to the minister, was the travel industry. The main Prague hotels were able to reach a 74- to almost 85-percent capacity throughout September, even with the 2,500 addition beds in Prague compared to September 1992.

A foreign tourist spent an average of 35 USD a day in August, including accommodations. This is an increase of ten USD from May of this year.

Commentary on Reception for Klaus in U.S.

AU2010172593 Prague LIDOVE NOVINY in Czech 18 Oct 93 p 5

[Commentary by Jana Smidova: "The United States Has Its Own Problems"]

[Text] An Indian summer is just beginning here in Washington. The leaves on the trees are turning from green to a beautiful red, which all admire. If Czech politicians were interested in American natural beauty, it would be hard to choose a better time. However, Prime Minister Vaclav Klaus—and Foreign Minister Josef Zieleniec a couple of days before him—did not come to the United States to stand under the trees. They came to present their new state to the United Nations and to find out what U.S. officials think about the Czech Republic's membership of the North Atlantic Alliance. Nevertheless, they could not have picked a worse moment for this.

The U.S. Administration is weighed down with its own problems. The crisis in Somalia, the Haiti predicament, and the quest for answers to developments in Russia are keeping the local political elite so busy that it is hard for them to fulfill their—albeit agreed long in advance—obligations. Minister Zieleniec had to wait in the office of his counterpart, Warren Christopher—who had been hastily summoned to the White House in connection with the deaths of U.S. soldiers in Mogadishu—for so long that he was only able to hold a brief conversation with him afterwards. Prime Minister Klaus certainly wanted to shake President Clinton by the hand; however, he had to make do with Vice President Gore. The honor guard, the forest of flags, the attention of the cameras, and the ceremony that was played out on the adjacent lawn the moment Klaus left the White House—all this was for Turkish Prime Minister Ciller. She was to hold a meeting with the President in front of the television cameras.

The new U.S. Administration is dousing flashpoints of tension far and near, day in day out, and—at the same time—is trying to formulate its own foreign policy concept. Part of this should also be defining its course of action toward Europe, that is, toward its central and eastern regions, security structures, and, first and foremost, the North Atlantic Alliance and the question of its expansion. This is a matter of key importance for Prague; of course, we will have to wait a while yet before it is clarified, most likely until 10 January when NATO holds a summit meeting and when the contours of its future strategy should be defined.

Clinton's foreign policy is, however, now under attack from all sides—by the Administration's opponents and by Democratic Party supporters—for lacking in concept and for being confused. In an atmosphere in which the United States is seeking a new image and after the Cold War battles have fizzled out, the Czech Republic as an oasis of stability could be a valuable argument.

The prophecy emphasized several times by Klaus, in which he described his country as a state that has already crossed the Rubicon separating the totalitarian regime from a democratic and market-oriented society, will certainly not remain unheard. The prime minister—whose desire for the goodwill of the mass media is well known and for whom the Turkish flag fluttering behind him at the entrance to the White House could not have been genial—realistically assessed the status of his country. A place on the first pages of the world's newspapers is not, according to him, the most important thing, reporters are not interested in calm, problem-free places. Banking circles and foreign capital are interested in those.

Commentary on Havel, Klaus Attitudes on NATO

AU2010162093 Prague LIDOVE NOVINY in Czech 15 Oct 93 p 1

[Commentary by Jiri Hanak: "A Question of Priorities"]

[Text] Let us not fool ourselves. Relations between the president of the Czech Republic and the Czech prime minister are bound to end up with a conflict. We cannot say when and how this conflict will come to a head, but it is assuming concrete shape: The president did not go to Sarajevo, and it is up to us to guess why.

The world knows that what the Czech president says is worth listening to, but apparently the Czech Chamber of Deputies does not. The prime minister is a good example of this: During President Havel's last address to parliament, Vaclav Klaus was deeply engrossed in editing a text because the president was speaking about something insignificant—so it seemed to Klaus. But, the president spoke about our joining NATO. "We have to deal with the law on intelligence services, apartment ownership, and civilian service [substitute military service], and we have to solve the problems of financing the highway from Brno to Mikulov," the prime minister said. Our joining NATO can wait. Perhaps something like what happened in the British House of Commons in 1947 will happen again. The issue of doing away with the British Empire was discussed together with other issues of equal importance, such as building dams, collecting taxes, and granting independence to India. "The King wishes it so," the speaker said in old French, struck the hammer, and that was the end of the empire.

Our admission to NATO is, however, another thing altogether. No one will take us by the hand and pull us into NATO. We have to do something to deserve admittance. At the very least, we must clearly show that we want to be admitted! But, do we really want it? Parliament's reaction to the president's speech does not imply that we do. Let us pass over the statement by the defense minister, who said that the president had not consulted him about his speech. Possibly, the defense minister was busy shooting at the electronic targets in his office from his pistol, and did not have time to listen. We should be more concerned, however, about the evasive statement by the foreign minister whom we increasingly consider to be the right man in the right place.

Maybe our greatest concern is that once we are admitted to NATO and have the umbrella of security, we will have to assume obligations that reach far beyond the borders of our country. We have heard our supreme state official say: Let sleeping dogs lie, we have enough problems of our own, and, anyway, who really knows what is going on in Bosnia? So, do we want to join NATO? After the reaction by parliament and the government officials to the presidents' speech on Tuesday [12 October], this remains the big question.

Dienstbier Outlines Philosophy at OH Congress

AU2010144793 Prague CTK in English 2058 GMT 16 Oct 93

[Text] Brno, south Moravia, Oct 16 (CTK)— The 4th National Congress of the non-parliamentary party Civic Movement (OH) began here today to discuss the party's new program, future name and new leadership.

The 220 participants in the congress decided on changes to the OH Statutes. They agreed to the establish the post of general secretary and to reduce the number of leaders from 20 to 9 members. The leadership's members will be elected later in the day.

OH Chairman Jiri Dienstbier pointed out that in many countries, switching to the market democracy was more painful than anybody had expected. International organizations established and for long operating in the divided world, were either unprepared for the unthawing of real problems which followed the switching off of the communist fridge, Dienstbier noted.

The OH places stress on solving problems at the lowest possible level, as close to citizens as possible, in which it opposes the policy pursued by the Civic Democratic Party (ODS, leader of the government coalition) and Czech Social Democratic Party (CSSD, the strongest opposition party), both of which push for an excessive role for the state and its power over citizens, Dienstbier added.

It the OH idea is no third way, but an alternative to the outgoing world of manipulation, dividing people into two opposite camps, Dienstbier said. He said that the OH alternative enabled human individuality to make itself felt in a broad context, and it preferred the idea of people living in an open world to the mentality of national, religious or ideological ghettos, which, as history showed, had never ended other than with destructive clashes.

When demanding a minimum role for the state, we do not want a weak state, Dienstbier stressed. It is an open civic society which is our goal, the horizon of our strivings, he added.

He said he supported the party's proposed new name, Free Democrats, as it would express the sense of the OH present aims. The new name should be adopted to give a sign to the public that we have drawn a lesson from our mistakes, Dienstbier concluded.

In the June 1992 elections, OH did not receive the 5 percent necessary to regain representation in parliament.

Dienstbier Elected Party Chairman

AU2010144893 Prague CTK in English 1957 GMT 17 Oct 93

[Text] Brno, south Moravia, Oct 17 (CTK)— The Free Democrats (SD), formerly the Civic Movement (OH),

intends to apply for membership of Liberal International, it was decided at the party's weekend congress at Brno.

As well as opting for a name change, the 220 delegates at the congress voted Jiri Dienstbier, former Czechoslovak foreign minister, party chairman and former Czech Interior Minister Tomas Sokol deputy chairman. A draft of the new party's statutes was approved, as was a motion on higher party structures which should allow homogeneity of opinion in the party leadership. The supreme body is to be the Republic Council.

Delegates voted nine members to the party leadership, seven of whom belong to party's radical wing. Nobody has yet been elected to the position of general secretary, a newly established post.

A manifesto For an Open Society was adopted as a basic declaration of party policy and a document which will act as a starting point for future policy discussions.

[Prague RUDE PRAVO in Czech on 18 October on page 2 carries a 400-word "alm"-signed report on the Free Democrats (Civic Movement) congress. The report identifies the nine members who were elected to the party leadership as "V. Zak, M. Bursik, P. Pithart, J. Mueller, P. Kucera, P. Rychetsky, L. Brunner, V. Humpal, and M. Hron." According to the report, together with party chairman Dienstbier and deputy chairman Sokol, these nine officials make up the "Free Democrats (Civic Movement) Presidium."]

Congress Completes Change to Party

AU2010144993 Prague CTK in English 2050 GMT 17 Oct 93

[Text] Brno, south Moravia, Oct 17 (CTK)— The Free Democrats (OH) intend to contest the forthcoming local elections and the elections to the Senate with their own candidates as far as possible, Free Democrats (OH) Chairman Jiri Dienstbier said at a press conference at the close of the weekend party congress.

Where the Free Democrats could not field a candidate of their own they would support candidates advocating greater powers and responsibility for citizens at all levels.

Dienstbier said the party wanted to build a civic society, where possible self-governing, and oppose tendencies towards an excessively powerful state which in his words the ODS (the dominant party in the coalition government) as well as groupings on the left were increasingly pushing for.

A representative of the party's radical faction Petr Kucera said that in his view his faction would come to dominate. Tomas Sokol, a radical himself and party deputy chairman, said that two political factions had dominated debate at the party congress, not three as expected.

The Brno congress had, Dienstbier said, completed the transformation of the former Civic Movement (OH) into a political party.

The congress also sent President Vaclav Havel an open telegram that read: Dear Mr. President, kindly inform us whether 28th October and what time at [the statue of St.] Wenceslas. We are coming too. On behalf of Free Democrats, chairman Dienstbier. It referred to Havel's intention to perform a commemorative act at the statue of St. Wenceslas on the anniversary of the founding of Czechoslovakia in 1918.

LSU, HSDMS Conclude Local Election Pact

AU2010212793 Prague LIDOVE NOVINY in Czech 19 Oct 93 p 3

[Report by "(ivh)": "The Liberal Social Union Will Enter the Local Elections With the Moravians"]

[Text] Brno—Representatives of the Liberal Social Union [LSU] and the Movement for Self-Governing Democracy of Moravia and Silesia [HSDMS] concluded an agreement in Brno yesterday on cooperation between their basic organizations in forming local coalitions prior to the upcoming local elections. According to LSU Chairman Frantisek Trnka, a virtually identical point of view on the Czech Republic's territorial-administrative arrangement, proceeding from "the two entities' similar election programs on this issue," has made cooperation possible. The LSU will support the initialed draft law on territorial division that the HSDMS deputies have submitted to parliament. This involves creating three lands—Bohemia, Moravia and Silesia, and Prague. According to the LSU, this will eliminate the risk of dualism, for which the government coalition criticizes the HSDMS draft. On the issue of amending the law on local elections, the two movements will push for a considerable reduction in the size of the electoral lists.

Latest Statistics Reveal Growth in Crime

AU2010145693 Prague CTK in English 1654 GMT 18 Oct 93

[Text] Prague, Oct 18 (CTK)— The number of general crimes in the Czech Republic rose by 19.8 percent in the first nine months of the year, while murder showed a more marked increase, new police statistics reveal.

The total number of crimes committed nationwide was 294,145. Police managed to solve 30.1 percent of these crimes (as compared to 30.5 percent last year).

However, within that figure, the number of murders and attempted murders reported reached 212 by the end of September, an increase of 30.9 percent on the same period last year. As many as 82.1 percent were solved—a rate very similar to last year's. Violent crime in general rose by 5.3 percent. There were 14,053 incidents reported with 71.7 percent being solved.

The police had a similar success rate in solving general crimes. Of the 264,991 general crimes committed till the end of September, police managed to solve 24.5 percent. The general crimes category includes all criminal offenses except economic crime and traffic crime.

Economic crime increased drastically this year. There were 75.2 percent more instances of economic crime than last year, but the police were able to solve a greater number of them. Police this year have solved 75 percent of 13,735 cases they have investigated. By contrast, last year 84.9 percent of economic crimes were solved, but 7,840 were committed.

Theft showed a slight rise in the first nine months of 1993 (6.5 percent). The percentage solved rose slightly with it—up to 38.4 percent from last year's 32.2 percent.

The incidence of grievous bodily harm rose by 4.1 percent, with three-quarters being solved as over the same period last year.

Criminals had caused 9.72 billion crowns of damage, about 300 million USD, by the end of September, compared to 6.1 billion crowns the previous year.

Meciar on HZDS-SNS Coalition, Vatican Talks

LD2010164793 Bratislava STV 1 Television Network in Slovak 2030 GMT 19 Oct 93

["Pressclub" interview with Prime Minister Vladimir Meciar and by unidentified reporters, place not given—live]

[Excerpts] [Reporter] Prime minister, at about 1900 you signed a coalition agreement with the Slovak National Party, an agreement that was talked about for a very long time. Please, try to tell us something more than what our editor Adriana Hostovecka found out from the government office.

[Meciar] Basically, one can only talk on the level of the information at the government office. The aim of the coalition agreement is to halt destruction in parliament. We do not want the situation of the past month to be repeated; the conclusion of the parliament session was not honorable.

The agreement should help to pass laws and facilitate discussion of citizens' problems. The agreement will be discussed on Saturday by the representations of Movement for a Democratic Slovakia [HZDS] and Slovak National Party [SNS], who have to approve it. After this approval, personnel will be decided upon next week. [passage omitted]

[Reporter] Prime minister, for constitutional laws to be adopted in the National Council, the National Coalition will still lack votes. That means you will probably have to aim at better cooperation with other parties. Have you in mind, above all, the Party of Democratic Left [SDL] with which you had talks, or do you consider other parties too? How do you imagine this cooperation further?

[Meciar] Above all, I should like to deny all suspicions aimed at hinting Mr. Weiss [SDL chairman] should not be deputy chairman of the National Council. On our part, there was not such an attempt, we did not talk about it, and it is not true. Talks with other political parties are necessary, not only because of constitutional laws, but also because we must seek agreement on passing system measures that will be valid on a more long-term basis. Only time will tell if it will be the SDL or somebody else. Maybe it will be the Christian Democratic Movement [KDH], maybe the Hungarian KDH. [passage omitted]

[Reporter] [Passage omitted] In connection with filling government vacancies, will there be an election of a new deputy chairman of the Slovak National Council?

[Meciar] This variant cannot be excluded.

[Reporter] Prime Minister, since you only returned from Italy today, did you manage to exchange your 1,000-koruna bank notes?

[Meciar] People are rather worried about the whole situation surrounding money and the exchange of money. They are seeking explanation. We are familiar with the reasons. The decision or the recommendation given by the National Bank [of Slovakia] and the information needed were handed over on Saturday [16 October] morning in my office [as heard]. [passage omitted]

Please be patient. We shall provide detailed and full information [on the reasons] within 14 days. These steps were taken in order to preserve the stability of the currency and financial system of this country. [passage omitted]

[Reporter] Prime Minister, I would like to return to your visit to the Vatican. The official TA SR [Slovak news agency] report on your talks with Cardinal Angelo [Sodano] went like this. I noted it down: The talks also touched upon the provision of guarantees for the rights of ethnic minorities to carry out religious services without any restrictions. [passage omitted]

I shall ask you this straightforward question. Was there any mention of the possibility that there should be set up a Hungarian Roman Catholic bishopric in Komarno [town in south Slovakia with Hungarian ethnic majority]? I do repeat, not a Komarno bishopric but Hungarian bishopric. This is not only unusual, as you have said, but it is a matter that has a political background.

[Meciar] Of course, there are efforts, visible since the first of the year, to organize petitions and similar events and to organize bishoprics on an ethnic basis [narodnostna baza]. This is unusual, and I think that following the talks [in the Vatican] this is almost certainly not going to happen in Slovakia either.

However, it is necessary to guarantee that in ethnically mixed regions all can profess their beliefs and carry out religious services in their language. [passage omitted]

Kovac Returns Law on Church Property to Parliament

LD1910215293 Prague CTK in English 1521 GMT 19 Oct 93

[Text] Bratislava, Oct 19 (CTK)—Slovak president Michal Kovac today returned a law on the restitution of church property because, while agreeing with the basic principles of the law, he disagrees with changes parliament made to it on September 29, presidential spokesman Anton Bodis said.

The changes provide for the return of property to the church which belongs to others than to legal persons financed by the state or communities, Bodis said. The law would also return property without the paying of any damages even if the current owner bought it. As such the law is in conflict with the constitutionally guaranteed protection of ownership, the president believes.

Kovac contends that in these cases either the state pays compensation or property which is owned by physical or legal persons be exempt from the law.

The restitution law, adopted during parliament's 22nd session, differs from the federal former Czechoslovak law by extending back before the 1948 communist coup. The Catholic Church may be restituted property seized after May 1945. For the Jewish community the limit is September 1938.

According to the slovak Constitution the president may return a law for reconsideration only once, and the chairman of parliament decides when the law shall be reconsidered. When paliament passes the second version it becomes law even without the president's signature. Parliamentary sources believe the law may be reconsidered at the next session, starting on October 20.

'Source' Cited on Contents of Coalition Accord

AU2010161893 Prague CTK in English 2006 GMT 18 Oct 93

[Text] Bratislava, Oct 18 (CTK)— The coalition agreement between the ruling Movement for a Democratic Slovakia (HZDS) and the Slovak National Party (SNS) is to be signed on Sunday, October 24, CTK learnt from a source who did not want to be identified.

The same source said that under the agreement, chairman of the SNS parliament group of deputies, Marian Andel, would fill the post of Slovak deputy premier, and Jozef Prokes, the former SNS chairman (presently honorary chairman), and deputy chairman of the Slovak parliament, is to be appointed foreign minister.

The present foreign minister, Jozef Moravcik, would take the post of the deputy premier for legislation, and Roman Kovac (chairman of the HZDS Council and Slovak deputy premier) is to replace Viliam Sobona in the post of health minister, CTK learnt.

SNS Chairman Ludovit Cernak is expected to take the post of the parliament deputy chairman. The vacant post of Slovak minister of education is being reserved for a SNS candidate, the source said.

Earlier today, Cernak told Slovak Radio that the results of the recent HZDS-SNS coalition talks, which had been launched in the past three weeks, would be disclosed to the public by Saturday, October 23.

For the time being, it would be premature to disclose details on concrete staff changes in the government, parliament and SNS leadership, Cernak stated. The SNS is willing to enter a coalition only if it is allowed to decide on who will be appointed to which post, with the HZDS accepting the SNS claims, he said.

Toth on Problems Following Banknotes' Withdrawal

LD2010084593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 19 Oct 93

[Excerpt] Following yesterday's announcement of the withdrawal of Slovak 1,000-koruna banknotes, making payments in shops and for services has become more complicated than expected. Finance Minister Julius Toth stressed in this connection that Slovak 1,000-koruna banknotes marked with stickers remain a valid means of payment until midnight on Friday 22 October. These banknotes can be exchanged in banks until 5 November. According to Julius Toth, people not respecting these instructions are in breach of valid decrees and rulings, and should be punished for inciting panic. However, Julius Toth did not rule out the possibility of local problems when exchanging present 1,000-koruna notes for banknotes of smaller denominations, even though the National Bank of Slovakia is releasing the latter from their sources in sufficient amounts. [passage omitted]

Opinion Poll Reveals HZDS Losing Popularity

LD2010082293 Prague CTK in English 1900 GMT 19 Oct 93

[Text] Bratislava, Oct 11 (CTK)—The Movement for a Democratic Slovakia (HZDS) has dropped to a close second in popularity for the first time since last year's parliamentary elections, a survey carried out in September by the Bratislava Journalism Studies Institute shows.

According to the survey, the party's popularity has fallen by nearly three-quarters since the June 1992 elections in the former Czechoslovakia which it won with 37 per cent of the vote.

The survey, which was given to CTK today by a source who requested anonymity, asked 1188 respondents how they would vote. The Democratic Left Party (SDL) came first, with 10.8 per cent, with the HZDS came [as received] just below with 10.2 per cent. Third was the Christian Democratic Movement (KDH) with 7.3 per cent, followed by the Slovak National Party (SNS) with 5.6 per cent. Other parties and movements did not gain the five per cent which would be necessary for their parliamentary representation.

A large proportion, however - 18 per cent - of those asked said they did not know how they would vote, and 19.6 per cent said they would not vote at all. A further 9.6 per cent declined to answer.

In a survey conducted by the Slovak Statistical Office in early September HZDS gained 15 per cent and the SDL 12 per cent.

Reduction in Conventional Weapons Achieved

LD2010180593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 20 Oct 93

[Excerpt] A news conference was held at the Slovak Ministry of Defense on the activities of the foreign relations section. Also a part of it is the Slovak Office for Disarmament Control [Slovensky urad pre kontrolu odzbrojenia]. The topics of discussion were the inspections in connection with the reduction of conventional arms, as well as the number of persons in the Army. Representing Radiozurnal at the news conference was Bernard Hornak who has reported the following:

[Begin Hornak recording] According to Alojz Mikusiak, a member of the permanent mission of the Slovak Republic at the CSCE in Vienna, the countries that signed—according to the treaty on conventional arms and armed forces—the reduction of excessive technology [as heard], must reduce conventional weaponry by the end of this year by 25 percent of the overall number.

The Slovak Republic, within the framework of this first stage, had fulfilled the above-mentioned reduction by the end of August. For example, the number of tanks has been reduced by 147 and the number of combat armed vehicles by 181.

Representatives of the Slovak Office for Disarmament Control went on to report on some agreements and documents that the Slovak Army subscribes to. It is, above all, the Vienna document 1992, within whose framework the Slovak side has given data on military forces and arms to the CSCE. Another one is the treaty on the ban on the development and accumulation of chemical weapons.

According to representatives of the Office for Disarmament Control, we are prepared for inspections in this sphere too, although we do not produce or own these kind of weapons. [passage omitted] [end recording]

Average Monthly Wage Reaches 5,000 Korunas

AU2010203293 Bratislava REPUBLIKA in Slovak 16 Oct 93 p 4

[TA SR report: "The Average Wage Is 5,000 Korunas"]

[Text] Bratislava—At the end of the first half of 1993, almost 551,000 people were employed in industrial enterprises with more than 25 employees. According to the results of the quarterly analyses conducted by the Slovak Statistical Office in enterprises in Slovakia, their number has fallen by 6.2 percent—that is, by 36,388—compared with the same period last year. The average monthly wage for workers was 4,984 korunas [Sk]. The average wage for workers in industrial enterprises with more than 25 employees was Sk5,373.

During this same period, 14,531 people were employed in small industrial enterprises with fewer than 25 people. Their number has almost doubled compared with the same period last year. Of the overall number, 73.8 percent were employed in private organizations at the end of June.

In the second quarter, these small enterprises made profits of 1.9 billion korunas, which is almost twice as much as the previous year. The average monthly wage per worker was Sk5,627.

Ministries Respond to Meciar's Accusations

AU2010143393 Budapest MTI in English 2027 GMT 19 Oct 93

[Text] Budapest, 19 October (MTI)—Hungary's approach to security policy issues is determined by two parliamentary decisions, defining the principles of the country's security policy and national defence. Wording these documents, Hungarian deputies start from the supposition that although Eastern Europe's environment may put Hungary's security at some risk, this by no means implies a military threat from a particular direction. For this reason, Hungary's security policy is based on the assumption that the country has no enemy at all, Laszlo Kovacs, chairman of the Hungarian Parliament's Foreign Affairs Committee, told MTI today [19 October].

The chairman reacted to Slovak Prime Minister Vladimir Meciar's recent statement at a Rome press conference, accusing Hungary of driving countries in the region into an arms race. The Slovak premier referred to the MiG-29s Hungary got in lieu of former Soviet debts. Meciar also mentioned that Hungary planned further arms purchases from Germany, Bulgaria, and the United States.

Concerning the accusations, Kovacs said Hungary sought to guarantee its security with a deliberate foreign policy rather than military means. This comprehensive foreign policy should guarantee that Hungary has only friends. The military doctrine itself is exclusively defensive, he said.

Speaking for both the Foreign and Defence Ministries, Lieut-Col. Lajos Erdelyi, Defence Ministry spokesman, said Meciar's accusations were gross slander.

The spokesman told MTI that Hungary had got 28 MiG-29s worth $800 million as part repayment of Russian trade debts. The acquisition is not an arms buildup because the number of Hungarian fighter planes is still 40 less than the limit in the Vienna agreement on the reduction of armed forces. The MiG-29s are to replace the obsolete MiG-21s to be withdrawn later, he said.

Erdelyi denied Hungary was going to buy arms from elsewhere. From Germany, instead of weapons, Hungary gets components needed to keep its army running. From Bulgaria and the United States, Hungary buys no arms, but pursues military technology cooperation under bilateral inter-ministry agreements.

Of Hungary's neighbours, all former Warsaw Pact members have had MiG-29s for some years. Slovakia has 10 MiG-29s and, according to recent press reports, it is talking about buying further ones in lieu of its Russian debts. As the European agreement on arms reduction also applies to Slovakia, country discloses its main military technology figures year by year [sentence as received]. And Slovakia, whose territory and population are half Hungary's, has almost as many tanks and armoured military vehicles as Hungary. So the Slovak prime minister's remarks are unfounded, the spokesman said.

FIDESZ Chairman Interviewed on Budget Deficit

AU2010160093 Budapest NEPSZABADSAG in Hungarian 20 Oct 93 p 12

[Interview with Viktor Orban, chairman of the Federation of Young Democrats, by Miklos Merenyi; place and date not given: "The FIDESZ, the Half-Turn, and Growth—Interview With Viktor Orban on Economic Policy"]

[Text] The young democrats recommend a half-turn in economic policy. Exactly how big a turn is needed and how much has the Federation of Young Democrats [FIDESZ] itself changed? We interviewed Viktor Orban who outlined his party's new economic philosophy theses in the debate on the 1994 budget.

[Merenyi] As far as I know, it was [economist] Janos Kornai who first wrote about a half-turn. Gyula Takacsy, chairman of the Parliamentary Economic Committee and an influential politician of the Hungarian Democratic Forum [MDF] has also recently taken a liking to quoting this. Does this commonness of thought disturb you?

[Orban] Kornai's merits are not at all diminished by often being quoted by Takacsy. Anyway, in my view, we might as well ignore what the MDF says about economic policy; we only need to look at what it does.

[Merenyi] At the beginning of the year, even the MDF was talking about a need for a half-turn: The conditions for growth have to be established and the requirements of economic balance are secondary. This was contained in the recommendations of the MDF's economic policy forum in Gyor in May. Nevertheless, as early as the end of the summer, after the agreement with the IMF was made, the balance again came to the forefront. Is the FIDESZ out of step? Was it six months late when it placed growth before the fight against inflation and the reduction of the budget deficit?

[Orban] The FIDESZ's congress in Debrecen accepted this program as early as in April.

[Merenyi] Yes, but it is precisely since then that the macro-economic figures have changed to such an extent that it is now questionable whether the country's financial stability can be maintained.

[Orban] In my view, it became obvious by October that the country's financial stability cannot be ensured without economic growth. Anyone thinking that growth can only follow financial stabilization is wrong. Therefore, growth has to be pushed into the forefront, but cautiously, of course. This is why we used Kornai's term "half-turn." This is why we said that central economic

incentives like expanding the money supply must be out of the question because inflation would then flare up.

[Merenyi] I am afraid that inflation might increase even at the mere mention of economic growth. Are you not afraid of overheated expectations?

[Orban] It is true that, by putting economic growth to the forefront, we lose on the speed of reducing inflation. The turn is only "half" precisely because inflation has to be watched in the same way as before.

[Merenyi] Did you think it was timely to suggest increasing the budget deficit precisely when the finance minister had announced that the deficit would exceed the amount planned in June by about a 100 billion forints [Ft]?

[Orban] We are very well aware that the deficit will reach Ft350 billion. We suggest increasing this a little.

[Merenyi] By how much?

[Orban] Another Ft30 billion deficit would result from further tax allowances given to entrepreneurs. Our suggestion that either the possibility that value-added tax rebates should be paid on house-building or the interest payments on loans for house-building should be tax-deductable, could also mean another Ft20 billion loss of revenue.

[Merenyi] So far, this is Ft50 billion. We might now be at some 8 percent of the GDP....

[Orban] I do not plan to increase the final size of the deficit by this amount. Some of the expenditure can be reduced. From here, the amount of saving that can be achieved is a matter of political courage.

[Merenyi] Can it be expected before the elections of any government that there will be any further reduction in the central expenditure that directly affects the population?

[Orban] In my view, it can—although it undoubtedly runs against political logic. However, in addition to elections, the country is also facing a very bad economic turn. The indicators are becoming increasingly worse and there is no sign of the tendency reversing itself.

[Merenyi] As for the indicators: The IMF limited the deficit to 7 percent of GDP. In your speech you said that, if it had a definite economic policy concept, the Hungarian Government would be able to negotiate with the international financial organizations from a better position.

[Orban] In my view, we would be able to make the IMF accept our policy of economic growth, which is concomitant with increasing the deficit.

[Merenyi] What is the reason for this change of economic philosophy?

[Orban] If we look at the history of budget deficits in the past three years, we can see that the "basic deficit" has not changed much: It has been at around 1.5 percent of GDP. The real growth of the budget deficit is due to the fact that the increasing interest burden of state bonds that were issued to finance the deficit is being carried over to the coming years. We have entered a spiral, and the accumulated interest burden of state bonds is so high that this cannot simply be counterbalanced by savings in the budget expenditure. There is nothing to indicate that production will by itself start to increase unless the state intervenes through allowances.

[Merenyi] The resources for growth can be acquired from two places, namely from Hungary—where there is none—or from abroad. In the current situation, it seems that we can only continue to borrow from abroad. Does the FIDESZ wish to continue this policy of indebtedness?

[Orban] According to moderate estimates, we will have to draw a minimum of $10 billion into the Hungarian economy in the coming four years because economic growth cannot be financed from domestic resources. This can have a number of forms, namely aids, loans, and working capital. I believe that the incoming working capital could be increased many times through better privatization practices and a government that is better at selling our economic policy in the West. However, I do not reject the possibility of acquiring funds through issuing state bonds on the international money markets. Without foreign resources we are simply finished.

[Merenyi] What measures will you use to encourage investment by foreigners?

[Orban] Some economic policy is mere psychology: the shaping of expectations. Unfortunately, the Antall government does not give an impression abroad of it being the country's economic "agent." People who are now at the head of government and represent the country abroad give very little of this impression. We need quick, energetic, and determined politicians who, rather than being reserved, have an almost friendly empathy for the logic of business life.

[Merenyi] What other measures would you use?

[Orban] There are many ways of encouraging investment. We have to play on many instruments. Obviously, we should not tax the interest on foreign currency deposits and should not levy a minimum tax. We have to use the tools of psychology here, too, by giving signals to entrepreneurs. Privatization will have to be made more transparent, faster, and more businesslike, then more foreign capital would take part in it.

[Merenyi] In your speech, a liberal party's partial and temporary recognition of state intervention was the most marked economic philosophical "half-turn." Why did you need four years to do this?

[Orban] Contrary to what our opponents tried to claim we said, we have never said that the state should "cop out" of the economy. The state must not do this because the economy would collapse. Much rather, it must withdraw from it step by step, which is a different matter.

[Merenyi] What measures of intervention do you plan in the area of trade and export development?

[Orban] For example, an eximbank that finances foreign trade. It is unfortunate that we had to wait three years for this to be established in Hungary when it is obviously needed. Much more developed countries also use this and the less developed ones actually start with this. We would also like to draw on foreign resources to do this, and this was one of the issues I discussed in London with the leaders of the European Bank for Reconstruction and Development this week. I raised the idea of an international fund that would reduce the risk factors in the trade between countries belonging to the sphere of the former Soviet Union.

[Merenyi] Did your speech have a political message for the other two opposition parties?

[Orban] I did not really want to send a message, except to the public. More precisely, to liberal-minded people, to say that we do not have to argue against state intervention because it can have a function in Hungary. The fact that one wants state intervention and another does not is not the obstacle of cooperation between the liberals and the socialists or the liberals and the conservatives. Therefore, we have to agree on concrete ways of intervention.

Statistics on Deteriorating Foreign Trade Balance

AU2010092293 Budapest MAGYAR HIRLAP in Hungarian 19 Oct 93 p 11

[Report by "L.F./LAP": "KSH Balance: Imports of Means of Transport Increase; Agricultural Exports Decrease"]

[Text] After the 34.9 billion-forint [Ft] import surplus of foreign trade in 1992, the deficit was Ft209.1 billion in the first eight months of 1993, the latest report of the Central Statistical Office [KSH] states. The data that is on current prices and in forints show that imports increased by less than 16 percent compared with the same period last year and exports decreased to 85.3 percent.

The majority of this year's deficit, arout Ft116 billion, arose against Germany, Austria, and the Soviet successor states. Our big excess of imports from the Soviet successor states is mainly due to the energy imports and there is no major change here compared with last year. Our exports to Austria and Germany decreased, however, by about 20 percent which resulted in a more than Ft70 billion deficit with these two countries by the end of August.

It is typical of 1993 that we only achieved noticeable export surplus against three countries or group of countries, namely Romania, Turkey, and the Yugoslav successor states (treating them together) which amounted to 6 to 8 billion [currency not specified]. These proportions seem to justify those people—like Katalin Antaloczy and Kalman Mizsei—who had earlier warned on the basis of the foreign trade figures by country groups that our gaining ground in foreign trade would not be lasting.

On the basis of trade by groups of products, the decline does not extend to everything but the decrease of exports is also concentrated in certain areas. The export of food industry materials, live animals, food, and the statistically separate basic materials of vegetable and animal origin decreased by nearly Ft40 billion. (The decrease would of course be much bigger on comparable prices.)

In the category of items of clothing and home textiles, exports decreased to Ft39 billion which is 58.1 percent of the previous level. It can be assumed that most of this is connected to exports under commission agreements but, due to statistical distortions, it is not certain that the level of this is correct. Compared to this, the decrease of exports is much smaller in the case of other product groups, for example, it is "barely" Ft5 billion in the case of metallurgical and chemical industry raw materials together.

On the import side, it can be highlighted that the biggest increase in value (and in percentage) was in the product groups of means of transport, and vehicles and accessories. Compared to 1992, imports increased from Ft32.9 billion to Ft63.4 billion.

Therefore, if we—somewhat arbitrarily—pick out the exports of the agriculture based product group, the group most strongly linked to exports under commission agreements, and vehicle imports, then we can see that these areas account for nearly two-thirds of the deterioration of the balance in 1993.

SLD Reportedly Threatens To Leave Coalition

LD2010170593 Warsaw PAP in English 1640 GMT 20 Oct 93

[Text] Warsaw, Oct. 20— According to unofficial information from one of the Democratic Left Alliance (SLD) politicians, the SLD may leave the coalition with Waldemar Pawlak's Polish Peasant Party (PSL) if he refuses to accept SLD's Marek Borowski, Wieslaw Kaczmarek, Grzegorz Kolodko, and Leszek Miller as government member.

The same source says that Wlodzimierz Cimoszewicz, often mentioned as a future deputy prime minister, should be the coordinator of the Foreign Affairs, Defence, and Interior Ministries.

New Cabinet Expected Within Two Weeks

LD2010183893 Warsaw PAP in English 1517 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—Waldemar Pawlak will have his government formed before the two-week period given to him expires, Michał Strak of the Polish Peasant Party (PSL) said on Wednesday [20 October].

Strak made this statement after today's meeting of PSL chief council at which the party discussed issues related to the government formation and setting up Sejm (lower house) committees by the PSL.

The party expects to place its representatives as chairmen of 6-7 Sejm committees, including the committee for agriculture, foreign trade, and economic system.

Strak also suggested that there may be three deputy prime ministers in the new government, but he mentioned no names.

Sejm Elects New Members of Tribunal of State

LD2110112193 Warsaw PAP in English 1058 GMT 21 Oct 93

[Text] Warsaw, Oct. 21—The Sejm, the lower house of the Polish Parliament, elected on Thursday [21 October] new members of the Tribunal of State. The tribunal decides on the responsibility of high-ranking officials if they break the constitution and other laws. The tribunal is elected for the term-of-office of the Sejm.

The Sejm elected 21 members of the tribunal and 5 deputy members with 423 votes for, 1 against and 2 abstaining.

Canditatures for the posts of the judges of the Tribunal of State were put forward by parliamentary floor groups. The president of the Supreme Court, now Adam Strzembosz, is also president of the tribunal.

Members of the tribunal must be Polish citizens with clean record and cannot be employed in public administration offices. At least half of members of the tribunal must be qualified for the post of a judge.

Pawlak Attends PSL Talks on Sejm Committees

AU2110115093 Warsaw PAP in English 2029 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—Prime Minister designate Waldemar Pawlak today took part in a meeting of the PSL (Polish Peasant Party) parliamentary floor group, devoted to the manning of Sejm committees.

According to previous decisions, the PSL is to chair six to seven committees, including the Committee for Agriculture and Food Economy, Environment Protection, Natural Resources and Forestry, Justice, Economic System and Industry. In the remaining committees, the PSL is going to hold the posts of deputy chairmen.

The caucus also discussed the organization of local offices of the members of parliament and the agenda for the Sejm meeting which is scheduled for Thursday [20 October]. The caucus decided to vote for the proposed list of candidates for the Tribunal of State.

Other parliamentary floor groups also held their meetings today to discuss questions related to the participation of their deputies in Sejm committees and name candidates for committees chairmen.

The parliamentary floor group of the Democratic Union (UD) recognized that UD deputies should become chairmen of five Sejm committees.

According to spokesman for the caucus Andrzej Potocki, the Foreign Affairs Committee would be chaired by Bronislaw Geremek, the Privatization Committee by Grazyna Staniszewska, the Committee for Culture and Mass Media by Juliusz Braun, the Committee for Local Councils by Piotr Buczkowski and the Committee for National and Ethnic Minorities by Jacek Kuron.

The parliamentary floor group of the Union of Labour (UP) elected its four candidates for the Constitutional Committee including Stanislaw Rogowski, Ryszard Bugaj, Janusz Szymanski and Wojciech Borowik.

The UP caucus accepted also a draft resolution obligating the government to present by November 15 information about the implementation of the law on national investment funds.

Talks Continue on Composition of New Government

AU2110084393 Warsaw GAZETA WYBORCZA in Polish 19 Oct 93 p 3

[Report by "WZ": "Ministerial Catches"]

[Text] The leaders of the Polish Peasant Party [PSL] and Democratic Left Alliance [SLD] want to reach a decision

on the composition of the new government by Thursday [21 October], but there is still a dispute about key portfolios. Each candidate must have the approval of both [PSL leader] Waldemar Pawlak and [SLD leader] Aleksander Kwasniewski.

It has already been agreed that the SLD will have two deputy prime ministers—Wlodzimierz Cimoszewicz as deputy prime minister for political affairs and Marek Borowski as deputy prime minister for economic affairs. It is possible that Borowski will also be minister of privatization.

The finance minister position remains a thorny subject. The PSL wants Wladyslaw Szymanski for this portfolio, whilst the SLD wants Grzegorz Kolodka. The SLD is convinced that it will win. However, we understand that the PSL will not "give up the finance portfolio so easily." Says one PSL activist: "Rural people remember former agriculture ministers complaining about being powerless because someone else had control over the money."

There is a heated battle over the chairmanship of the Central Planning Office. Pawlak wants this position to go to his chief adviser, Michal Strak, but the SLD says no. Shortly before the elections, Strak said that the PSL was planning a large-scale purge of the administration. Kwasniewski is afraid of this and is proposing another aide of Pawlak's, the moderate Aleksander Luczak, for the post of head of the Office of the Council of Ministers.

Jaroslaw Mulewicz of the SLD and Leszek Mulewicz of the PSL are competing for the post of minister of foreign economic cooperation. No one knows who will win.

In accordance with the coalition agreement, the labor minister post is to go to the SLD, but the SLD has serious difficulties with filling it. SLD leaders have promised this post to Leszek Miller, but Miller would very much like to back down back because he is most unpopular among Solidarity circles. Miller's place could be taken by an "expert who has already worked in the Labor Ministry." This tug of war could lead to a conflict inside the SLD itself.

The PSL is having similar problems with filling the agricultural minister post. We understand that no PSL person is eager to take it. Roman Jagielinski is mentioned the more frequently as a candidate for this ministry, but there is also talk of the present nonparty agriculture minister, Jacek Janiszewski, staying on for another term.

There are no major problems with filling the next five ministerial posts.

The environmental minister post will go to Wladyslaw Jasinski (PSL), the culture minister post will go to Kazimierz Dejmek (PSL), Janusz Wojciechowski (PSL) will be minister of justice, Tadeusz Pilch (PSL) will be minister of education, and Jacek Zochowski (SLD) will be minister of health.

Although the Union of Labor [UP] is not officially part of the government, UP politicians may nevertheless receive two portfolios. Marek Pol could become minister of industry, and Wieslaw Ziolkowski could become chief of the Central Planning Office. These two posts were supposed to go to the PSL, but Pawlak asked the UP to take them. People in the Sejm think Pawlak made this offer in order to preserve good contacts with the UP, but he might also have done so for the simple reason that the PSL has no suitable candidate.

Lech Walesa's candidate for foreign minister post is Andrzej Olechowski, who held a long talk with Minister Skubiszewski yesterday.

However, there is no certainty as to the tenure of the Defense Ministry position. Two candidates are mentioned— [head of National Security Office] Jerzy Milewski and [former Defense Minister] Admiral Piotr Kolodziejczyk. The latter enjoys the support of the army itself. On the other hand, there is no doubt as to who is going to be interior minister. The only candidate is the present minister, Andrzej Milczanowski.

There is much speculation about the coalition's policy toward the mass media. Although the leaders of the SLD and PSL have denied that they are planning a purge, Polish Television has reported on plans to remove Jaroslaw Gulgala, the head of the Television Information Agency.

"The SLD and PSL know that they cannot do anything to remove television chief Janusz Zaorski, who is Walesa's protege, so they are going to try to exert influence on television by making one of their own people head of documentary programs," says a Television Information Agency correspondent. We asked a key SLD politician about this. He neither confirmed nor denied the information.

SLD's Cimoszewicz on Cabinet, NATO, Russia

WS2110103093 Warsaw Radio Zet in Polish 0715 GMT 21 Oct 93

[Interview with SLD Chairman Wlodzimierz Cimoszewicz by Krzysztof Skowronski at the Radio Zet studio in Warsaw on the "Guest of Radio Zet" program—live]

[Text] [Skowronski] When will we be able to find out the government's composition?

[Cimoszewicz] I think within the next three to four days.

[Skowronski] Are there any problems with determining candidates?

[Cimoszewicz] I would not say there are any major problems, but because we all want the government to be composed of the most competent people possible, we are discussing different possibilities.

[Skowronski] So, that means there are minor problems?

[Cimoszewicz] Yes, I would say that.

[Skowronski] What kinds of problems are there?

[Cimoszewicz] It is hard to discuss details at this point. Different candidacies appeared with regard to some ministries, and so we are trying to mutually convince one another about who would be best.

[Skowronski] Who will make the best chief of the Office of the Council of Ministers [URM]?

[Cimoszewicz, pausing] It will be the prime minister who most probably will decide that issue, because it has been the tradition—which is understandable—that the post of URM chief is always entrusted to someone in whom the prime minister has a lot of confidence. We all know that the post includes—among other tasks—general management of the state administration. That is very important for the prime minister, from the standpoint of instruments of power.

[Skowronski] Is URM chief an important post in the state administration?

[Cimoszewicz] I would say it is one of the most important ones.

[Skowronski] Why is that?

[Cimoszewicz] Precisely because of his powers, both those regarding the country's entire government administration, and those linked to his obligations of servicing the Council of Ministers.

[Skowronski] Will the post of URM chief definitely be given to a member of the Polish Peasant Party [PSL]?

[Cimoszewicz] That issue has not been finally determined yet, but what we are suggesting is that while forming this government, the principle of a certain balance be observed, I mean a balance of powers and responsibilities of both parties comprising the government [PSL, Democratic Left Alliance—SLD], so a PSL member for URM chief would seem like a logical solution.

[Skowronski] How can such a balance be achieved?

[Cimoszewicz] Well, first of all by dividing responsibilities, both within some groups in the different ministries, and within the ministries themselves, and also while constructing the government's leadership.

[Skowronski] What structure will the government's leadership have?

[Cimoszewicz] As we all know, final decisions have not been made yet. We would like to have a situation where the government's leadership strictly speaking, is composed of equal numbers of representatives of both parties.

[Skowronski] Will there be three posts of deputy prime minister?

[Cimoszewicz] That has not been finally decided, either, but that issue is of secondary importance compared to the principle of balance I talked about.

[Skowronski] Will you be a deputy prime minister?

[Cimoszewicz] It is very likely that I will be. I was made an offer, but talks with Mr. Waldemar Pawlak are still continuing.

[Skowronski] If you are a deputy prime minister, what will be your area of responsibility?

[Cimoszewicz] That is also a subject of my talks with Waldemar Pawlak. I would like to have a situation where the post's range of responsibilities and tasks is defined with great precision before a final decision is made.

[Skowronski] So, for what would you like to be responsible?

[Cimoszewicz] It seems logical—not so much from my point of view, as that of SLD—that the range of responsibilities should include so-called political and social issues.

[Skowronski] What are political and social issues?

[Cimoszewicz] It is everything that is included in the range of issues from, say, foreign policy to social policy, although I would like to say that this kind of reasoning along the criteria of ministries, is not fully adequate here.

[Skowronski] From foreign policy to ... [pauses] What about cooperation with the Belvedere?

[Cimoszewicz] Well, cooperation with the Belvedere is something which is directly in the prime minister's range of duties.

[Skowronski] What should cooperation between the government and the president be like?

[Cimoszewicz] We have made a statement on that, in our coalition agreement. It is the intention of the coalition partners for cooperation among the state's main centers of power to be the best possible. We also said in the agreement that the issue depends not only on the goodwill of all the concerned, but also on a very strict observance of the Constitution's provisions.

[Skowronski] Have the coalition partners already agreed to the president retaining his three ministries [foreign affairs, defense, internal affairs]?

[Cimoszewicz] We have said quite openly for a long time now, that we want to approach the president's proposals with great seriousness. It would be hard though to accept the phrase which you just used when you talked about the president retaining the ministries. We all know what the Constitution says. We are willing to even go a step further than what the Constitution literally says, that is to say we are willing to go beyond just respecting the president's opinions.

[Skowronski] Are these concessions with regard to the president?

[Cimoszewicz] They are de facto concession, yes. But it is also kind of our contribution to creating opportunities for harmonious cooperation between the government and the president.

[Skowronski] Is there a possible area of conflict between the coalition and the president?

[Cimoszewicz] If there is, it is not intended by us.

[Skowronski] Why does the coalition grant concessions to the president? I mean the minor concessions.

[Cimoszewicz] Well, we understand that as a result of the 19 September parliamentary elections, a certain political imbalance occurred, but it is by no means any election mistake because these results are just an expression of the will of a sufficient number of voters. But nevertheless, the imbalance is a political fact of its own. That factor of political balance is important for a state's stability, the stability of any government, and we accept that.

[Skowronski] How soon will the coalition intend to amend the Constitution?

[Cimoszewicz] That is also the subject of our public declaration. We would like work on the Constitution to begin as soon as possible, but let us remember that the current law on the procedure for preparing the constitution's text and on enacting it, sets some deadlines which we must observe, and that means that a new constitution will probably not be created before a year passes.

[Skowronski] Will the new constitution limit the president's powers?

[Cimoszewicz] It is hard to say that in advance. The National Assembly will finally decide that issue. As is well known, we also spoke in favor of having a so-called partial referendum before a new constitution is enacted, which would contain some questions regarding the most important aspects of the political system, and perhaps of the economic system as well. Then the nation would decide that.

[Skowronski] What will be the most important first decisions of Waldemar Pawlak's cabinet? I assume such a cabinet will be formed in the end?

[Cimoszewicz] It most probably will. Undoubtedly the most important issue is a quick initiation of work on next year's budget. It is unfortunate that this government should be formed at year's end, at a point when we have a budget draft prepared by the outgoing government, which—by definition—fulfills the criteria of that government's principles of social and economic policy. All signs are that we are going to find ourselves in a somewhat troublesome situation. The budget act requires that the government submit a draft budget law for next year by 15 December. So it looks like we will most probably have to use the instrument of an interim budget.

[Skowronski] Why is that?

[Cimoszewicz] Because it is difficult, when you begin your work in November, to have a completely new version of the budget by 15 December.

[Skowronski] When you say interim budget, does it mean we will be living in an interim state?

[Cimoszewicz] Of course not. Interim budget is provided for by the budget act, and it simply means that for a certain period of time, state institutions function—and are financed—according to a kind of budget draft, and not according to a final and approved budget law.

[Skowronski] Now, when are we going to have the final budget law? This cannot be predicted yet, can it?

[Cimoszewicz] Exactly. This is very difficult to predict. However, I think that it would take several months to draft such a bill.

[Skowronski] Will the Pawlak government be more like a government of continuation or a breakthrough government? If it is one of breakthrough, then in which direction?

[Cimoszewicz] We have often stressed that all the reasonable things in the previous government's policy should be continued. I think that the most fundamental elements of the economic policy will definitely be further implemented. However, I believe that this element of a breakthrough will be found in the approach toward such issues as privatization, for instance. I mean the rate of the privatization as well as means of implementing it. It is no secret that we believe that it is wrong to put pressure on state-run companies by various means, such as through tax discrimination, just to force them to agree to privatization. This should be determined by the economy and the companies' consent. We would like to achieve a breakthrough in the area of social policy; that is, we want to be more sensitive to the very difficult situation of many social groups rather than to implement serious changes very rapidly, which, as is well known, depends on the state's financial capabilities.

[Skowronski] Where are you going to get the money for that?

[Cimoszewicz] We believe that an economic recovery may yield greater revenues to the budget. However, the problem that needs to be resolved very urgently is a greater financial discipline of the state and the economy. I am thinking of increasing the efficiency of tax and custom-duty collection. This means that we want to deal with an area that is extremely difficult to handle, that is, the so-called gray area in our economy.

[Skowronski] How do you think this could be done?

[Cimoszewicz] We presented many concepts concerning this in our program. It would, perhaps, be difficult to enumerate them all right now. One of them is to introduce the duty of making noncash payments in relations among companies. We would like this to be to a greater degree than it is now in Poland. This would enforce activities that could be controlled much more efficiently.

[Skowronski] It is already known ... [pauses] Well, nothing is certain; however, probably Poland will not be a member of NATO. How should we ensure our security?

[Cimoszewicz] Now the situation is very complex. As is known, asked very often about their attitude toward our integration with NATO, representatives of the alliance said the following: We do not say no, however, we think that this calls for more profound discussion. After the recent developments in Russia, as you know, our experts who negotiated the coalition's main principles in the area of foreign policy, unanimously supported our integration with NATO. For me personally, it is not a great surprise that the West is so reserved; those states must also take into account their interests in their relations with Russia. However, it is worth recalling the declarations made by many Western leaders; they said that the Central European states would not be admitted to NATO very soon. This forces us to realize that someone else is not going to take more care of our own interests and security than we ourselves.

[Skowronski] Recently, I have often heard it said that we are in the Russian sphere of influence. After four years, we are back where we started. How did this happen and what are the consequences of this?

[Cimoszewicz] I would like to believe that this is an oversimplification. However, information we have received recently seems to confirm this conviction, both in Moscow and in the West, that there are certain zones of influence here. The Polish state and national interests demand that we do not agree with or approve that mentality. However, this is a task for our diplomatic officials. How to achieve this....

[Skowronski, interrupting] Who will be our chief diplomat? Will it be Andrzej Olechowski?

[Cimoszewicz] As is known, Andrzej Olechowski said yes, but he made certain conditions. He will agree to take up that post if Waldemar Pawlak makes him this offer, and if the president wishes him to take it.

[Skowronski] Should any changes be introduced in public television?

[Cimoszewicz] Now, if we look at the conclusions included in the report drawn up by the National Council of Radio and Television, we could certainly formulate many critical evaluations of the management of public television.

[Skowronski] Should this be enough or should other changes be introduced?

[Cimoszewicz] We should think about it and figure out what conclusions would be best.

[Skowronski] Is the PSL-SLD coalition going to govern four years?

[Cimoszewicz] I think that everything must be done to make it possible for this coalition to do so.

[Skowronski] To do everything means exactly what?

[Cimoszewicz] This means the following: To guarantee this rule of balance in forming the government; to select the most competent people, because, given the objectively difficult current situation, the qualification and skills of ministers will determine the government's chances of success; to divide not only power, but also responsibility.

[Skowronski] You said, objectively difficult situation. What does this objectively difficult situation comprise?

[Cimoszewicz] Well, if Poland faces such social problems as the fact that 40 percent of Polish families live below the subsistence level; not to mention that there are 3 million unemployed people. This is enough to define the scale of these difficulties.

[Skowronski] Is SLD going to be equally successful in the elections in four years' time?

[Cimoszewicz] It seems that this will be very difficult. Even if we managed to achieve real positive results, I think that the Polish right wing will not repeat such fundamental mistakes as it made in these elections.

[Skowronski] Thank you for the interview.

[Cimoszewicz] Thank you.

Oleksy Views Cooperation With Opposition

WS2010140893 Warsaw TVP Television First Program Network in Polish 1900 GMT 19 Oct 93

[Interview with Jozef Oleksy, newly elected speaker of the Sejm, by Jan Jankowski conducted in Warsaw on 14 October; from the "Sejmograph" program—recorded]

[Text] [Jankowski] Mr. Speaker, in your inaugural address you said that you are counting very much on cooperation with the opposition outside parliament. Do you think that this Sejm should be more eager to have this cooperation, or is it the case that the opposition outside of parliament should be more eager to cooperate with this Sejm?

[Oleksy] I never said I was counting very much on such cooperation, because my job is first of all to organize cooperation inside parliament itself, and I have to rely very much on that. But what I did was to make a declaration of the need for such cooperation, and of the Sejm leadership's readiness to be open to something I call cooperation with parties outside parliament, which includes listening to their remarks, views, and an ability

to hear, not just listen. It would certainly be a good thing if the parties outside parliament would be willing to also present their views in some form, naturally not through regular procedural methods, but through other, conceivable ones.

[Jankowski] To what extent would you like to take these views into account in the Sejm's business, or in your job as Sejm speaker?

[Oleksy] It is too early to talk about this now because right now all we have is an announcement of goodwill on my part.

[Jankowski] Do you count on the goodwill of the opposition outside parliament as well?

[Oleksy] Yes, I do, but I have no way of knowing what will really happe

Defense Minister Views Aspin's Comments on NATO

LD2010213293 Warsaw PAP in English 1948 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—Commenting on the Wednesday [20 October] statement of U.S. Defence Secretary Les Aspin, that the U.S. was against quick admission of new members to NATO, Defence Minister Janusz Onyszkiewicz said that "nobody is demanding Poland to join NATO today or tomorrow. There is not such an urgent need and no immediate threat to Poland," he added.

Onyszkiewicz explained that Poland wants a prospect for joining NATO and not doing it in a "mad haste." Therefore he would not interpret Aspin's words as something that puts Poland's membership in NATO off into a distant future.

"Poland wants to integrate with NATO because such is the political choice the nation made several years ago," he said and added that the only question is when and how this will take place. After all, he said, it is also in NATO's interest to include such a valuable partner as Poland.

Onyszkiewicz on Russia's Defense Doctrine

LD2010184493 Warsaw PAP in English 1550 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—"The Polish side knows nothing about the clause in the new Russian defence doctrine which refers to preventing Poland's membership in NATO," said Defence Minister Janusz Onyszkiewicz as he commented on the recent reports about the doctrine on Wednesday [20 October].

Onyszkiewicz stressed that as far as he was informed, one of the most important clauses in the doctrine reads: "Russia considers no country to be its opponent."

The minister told journalists that some of the proposed passages in the document are worrying, like that saying that one of the tasks of the Russian Armed Forces is to protect Russian citizens or "persons feeling connected with this state" but living abroad. Such declarations "can be interpreted in a variety of ways," Onyszkiewicz stressed.

According to the minister, the Russian defence doctrine will include a statement that Russia must be prepared to fend off threats from all directions and, in this connection, troops relocation will be carried out. "This should arise no controversies because the Polish defence doctrine is similar," he concluded.

National Security Office on NATO Membership

LD2010174493 Warsaw Radio Warszawa Network in Polish 1200 GMT 20 Oct 93

[Text] Poland's participation as an associate member in both NATO and the European Communities will be, according to Jerzy Milewski, the head of the National Security Office attached to the president's Chancellery, desirable, but only as a transitional state. Milewski said that Poland's membership in NATO would not be aimed against Russia.

Effect of 'White Book' on U.S. Relations Viewed

LD2010211193 Warsaw Radio Warszawa Network in Polish 1746 GMT 20 Oct 93

[Report by unidentified correspondent including recorded remarks by Zbigniew Lewicki, Director of the North and South America Department at the Foreign Affairs Ministry]

[Text] [Correspondent] The Ministry of Foreign Affairs has presented to journalists the several hundred pages long "White Book" documenting the activities of the ministry in the case of the six Poles arrested in association with the so-called gun affair. In the course of the news conference, journalists asked Zbigniew Lewicki, director of the North and South America Department in the Ministry of Foreign Affairs for his opinions on the subject of the statement by the wives of the freed Poles, who had asked for the non-publication of the "White Book" since it would have to call forth polemics from both sides.

[Lewicki] I wish to say very clearly that the publication of the "White Book" is not, is not intended on our part, and there is nothing here, in our intention and in our desires, that could be treated polemically, as an attempt to indicate that someone else did or did not do something. We treat this, I do not know how it will turn out, but nonetheless, as the closing of the matter. We reveal ourselves, that I put it thus, but not so as to polemicize with anyone. In no event do we intend to prove anything to anyone by force. What the motives were I really do not know. I nonetheless harbor the hope that, quite simply, the publication of this "White Book" at this moment will

not be taken as an attempt at any sort of activity against that which these ladies asked for yesterday. Yesterday, work on the "White Book" was almost complete. This is a trifle, it could have been destroyed. On the other hand, I cannot imagine that we could come here today and say that since the wives have asked for nonpublication, well then we will not publish it. We were in a situation where we could not stop this work, because completely unjust suspicions would arise that we have something to gain in not publishing.

[Unidentified correspondent] In association with the rumors that protests from the United States have been received by our Ministry of Foreign Affairs, for the publication of the "White Book" to be suspended, journalists asked Director Lewicki whether the fact of its publication will not bring a worsening of Polish-American relations.

[Lewicki] It will certainly not influence Polish-American relations. This is not an issue about the range of Polish-American relations, and this altogether, I would not, I would not wish to discuss this issue at this level.

Solidarity May Join With Center-Right Groups

AU2110115293 Warsaw PAP in English 2221 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—Secretary of the "Solidarity" trade union National Commission Stanislaw Alot on Wednesday [20 October] did not rule out that "Solidarity" might turn towards centre-right groupings following the results of the recent parliamentary elections.

Alot, who was taking part in a meeting of the Presidium of the "Solidarity" National Commission in Gdansk, also said that the union's representative had been assigned to take part in meetings of centre-right parties as observer.

According to Alot, during the Wednesday meeting the Presidium discussed mainly preparations for a session of the National Commission scheduled for October 27. The National Commission will probably consider the introduction of some amendments to the regulations on cooperation between the National Commission and the "Solidarity" parliamentary floor group. The amendments are necessary due to the fact that in the present parliamentary tenure only senators make up the "Solidarity" caucus.

The Presidium prepared a draft resolution, to be presented to the National Commission, related to the implementation by the new cabinet of agreements concluded between the union and the Hanna Suchocka government.

Party Calls on Walesa To Protect Property Rights

AU2110120093 Warsaw PAP in English 1922 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—Leaders of the Conservative Party (PK) Aleksander Hall and Kazimierz Michal Ujazdowski declared that they expect the president to propose legislation protecting the rights of the individual because "the political system in Poland offers no guarantees" in this field.

They urged Lech Walesa to veto any attempts to give a "socialist character" to the state at the expense of "limiting property rights, the individual's right for economic initiative, and the rights of family." The party also said that groups of citizens should have the right to hold referendums.

At the same time both conservatives criticized the referendum held by the Union of Polish Teachers (ZNP) in schools. They said the referendum is intended to stop the reform process within the system of national education.

"The left wing does harm to the entire education system by opposing decentralization and modernization of schools," the declaration said.

Privatization Success of Suchocka Government Noted

LD2010212393 Warsaw PAP in English 1910 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—The Hanna Suchocka government achieved more in the field of privatisation than all governments since 1991, Privatisation Minister Janusz Lewandowski told a press conference on Wednesday [20 October].

Revenues from privatisation will probably exceed by 21 per cent the amount planned for 1993.

Over the last three years privatisation covered ⅓ of the economy. It can be assumed that at the end of 1996 the ownership structure of the Polish economy will resemble the Western structure, provided that the mass privatisation programme is implemented and transformations are not halted, Lewandowski said.

According to Lewandowski, the capital privatisation proved a major success as the privatisation Ministry managed to keep the relation of costs to revenues in this type of ownership transformation below world standards.

A total of 57 enterprises were privatised this way since Hanna Suchocka assumed the post of prime minister, compared with a total of 93 privatised since 1990. Revenues collected in this period amounted to 6.8 trillion zlotys (340 million USD), as compared with a total of 9.1 trillion since 1990, and investment commitments reached 16 trillion zlotys.

Among the major set-backs, the outgoing minister named the failure of starting the privatisation of three sectors that is the oil, sugar and tobacco industries, although related privatisation projects had been prepared.

Kuron: Labor Ministry's Policy Should Be Continued

AU2110115493 Warsaw PAP in English 2136 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—According to outgoing Minister of Labour and Social Policy Jacek Kuron, the most important tasks facing the new head of the Ministry include a change of the social insurance system, amendments to the law on the indexation of old age and disability pensions, the pact on state enterprises and a programme of counteracting unemployment, the Ministry's spokesman Ludmila Wolynska said today.

In a letter addressed to outgoing Prime Minister Hanna Suchocka on Monday [18 October], Prime Minister-designate Waldemar Pawlak asked her ministers to inform him about their actions which they think are particularly important and should be continued by the new government.

Wolynska said the Ministry of Labour and Social Policy had prepared a general plan of changes in the social insurance system which was submitted to the public for consultations last May. Also, the first stage of a reform of the Social Insurance Agency (ZUS) has been initiated. She added that the new government should consistently implement the tasks contained in the programme of counteracting unemployment, adopted by the Suchocka Government, and above all adopt draft amendments to the law on employment and unemployment.

The Sejm (lower house) should pass social draft laws connected with the pact on state enterprises. According to Wolynska, they are important for the whole process of economic reform as they are designed to protect the workforce of privatised enterprises.

Agriculture Minister: Successor Should Pass Draft Laws

AU2110115693 Warsaw PAP in English 2041 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—Head of the Agriculture Ministry Jacek Janiszewski said his successor at the post should see to it that the draft laws which the outgoing government had submitted to the Sejm (lower house) are effectively implemented.

The drafts make part of the programme called "chances for the countryside and agriculture." They concern the equalising of payments for imported foodstuffs and creating the Agency for Restructuring and Modernizing Agriculture. The Ministry also prepared draft amendments to the law on the privatisation of state farms.

The Ministry proposed to set up an Agency for Rural Infrastructure, designed to take care of a rational use of credits granted by the World Bank for this purpose. The sum of 300 million dollars, available in the first quarter of next year, is to be destined for the development of telephone network, water supply and sewage treatment plants in the countryside.

The Ministry considers it necessary to set up yet another agency that would take care of the privatisation of food processing and agriculture-related industries.

Janiszewski said it is equally important to work out a strategic policy for agriculture for the nearest dozen years or more.

Minister Urges Continued Liberalization of Trade

AU2110115893 Warsaw PAP in English 1942 GMT 20 Oct 93

[Text] Warsaw, Oct. 20—Minister for Foreign Economic Relations Andrzej Arendarski said he would hand over to his successor several dozen issues now under preparation in the ministry including a draft customs law, a draft law on foreign trade in arms and agreements on cooperation with Austria, Portugal and other countries.

On Monday [18 October], Prime Minister Waldemar Pawlak asked acting Prime Minister Hanna Suchocka that the outgoing ministers provide him with information about most important current activities of their ministries.

According to Arendarski, talks on speeding up liberalization of trade with the EFTA [European Free Trade Agreement] countries should be continued and the problem of quotas on certain goods imported from EFTA should be dealt with. Arendarski also said that measures envisaged in the government-adopted "guidelines for pro-export policy" need to be implemented.

Havel Arrives in Warsaw for Official Visit

LD2010181793 Prague CTK in English 1732 GMT 20 Oct 93

[Text] Warsaw, Oct 20 (CTK)—Czech President Vaclav Havel, accompanied by his wife Olga, arrived today for a three-day official visit to Poland at the invitation of President Lech Walesa.

Tonight, he will meet with Walesa at a private dinner.

During the visit, Havel will have talks with Walesa, the marshals of the two chambers of the National Assembly (parliament), Jozef Oleksy and Adam Struzik, and Foreign Minister Krzysztof Skubiszewski. On Thursday [21 October] he will be presented Poland's supreme distinction, the order of the white eagle.

In our forthcoming meeting, we will certainly discuss our road to Europe, NATO membership and promotion of bilateral cooperation, Walesa has told CTK.

On Friday, Havel will leave for Gdansk and Gdynia where he will wind up his Polish visit in the afternoon.

Vacaroiu Receives Spanish Businessmen

AU2010193593 Bucharest ROMPRES in English 1529 GMT 20 Oct 93

[Text] Bucharest ROMPRES, 20/10/1993—Romania's Prime Minister Nicolae Vacaroiu received on Wednesday, October 20, a delegation of the Démocratic Union of Catalonia headed by Josep Duran i Lleida, accompanied by representatives of the Foundation of Catalan Businessmen in Europe and America (FECEA) now visiting Bucharest.

Discussions concentrated on issues regarding the present stage of the reform in Romania and its integration in European structures, the legal framework required by the transition to market economy as well as the necessity that Romania get closer to the European defense and security structures, NATO in the first place.

The president of the Democratic Union of Catalonia said that the Western countries must support Eastern European countries in transition. He said also his visit was an evidence that the Romanian-Spanish political dialogue should be mirrored in economic cooperation and exchanges.

Premier Vacaroiu presented to the Spanish guests business opportunities for foreign investors in Romania.

Both parties expressed confidence that bilateral relations would intensify.

Spiroiu on Bundeswehr Accord, NATO Membership

AU2010180893 Munich SUEDDEUTSCHE ZEITUNG in German 20 Oct 93 p 10

[Report by "ub.": "Romania Wants To Become NATO Member"]

[Text] Bonn—Romania intends to become a member of NATO. Bucharest considers the agreement on German training aid, signed by Defense Minister Volker Ruehe and his Romanian counterpart, Niculae Spiroiu, as one of the first steps toward this goal. In an interview with SUEDDEUTSCHE ZEITUNG, Spiroiu said that this "historic agreement" should help the Romanian Army adjust to the standards of democratic armies in Europe. NATO was the only instrument able to guarantee security in Europe. Earlier, Ruehe had said that the agreement with Bucharest should also be considered with a view to opening up, as offered by NATO, without Romania's imminent membership, in the foreseeable future.

The Romanian minister, who is a career military officer, described the agreement of his army with the Bundeswehr as the "most important one" among existing or planned agreements with other countries. "The resumption" of German-Romanian cooperation in the military area should accelerate the democratization of the Romanian armed forces. If NATO were to open up to the East, there should be no discrimination, said Spiroiu. Such opening up should not be confined to countries like Poland or the Czech Republic. It should also be made sure that Russia be included in a new security system. Even if NATO were eventually to have a new eastern border, it would not be advisable to insist on such a border, said Spiroiu.

Culture Minister Salcudeanu Intends To Resign

AU1910205093 Bucharest ROMPRES in English 1858 GMT 19 Oct 93

[Text] Bucharest, ROMPRES 19/10/1993—Culture minister Petre Salcudeanu announced his intention to quit in the government's Friday meeting, told ROMPRES on October 19 Senator Adrian Paunescu, president of the Culture, Arts and Mass Media Commission of the Senate, that heard the culture minister again the same day.

Petre Salcudeanu allegedly said he did not consider himself to be blamed for the press scandal sparked around him, but, since he contributed to staining the ministry's image, he meant to quit, invoking reasons of assuming personal dignity, sources in the Senate say.

Magureanu Denies Keeping List of Undesirable Persons

AU2110101893 Bucharest ROMANIA LIBERA in Romanian 18 Oct 93 p 16

[Interview with Virgil Magureanu, director of the Romanian Intelligence Service, by Ion Ciochina; place and date not given: "Many People Know Me From the Party Academy..."]

[Text] [Ciochina] Mr. Magureanu, you were accused of having been involved in the "Tirgoviste shooting," [of Nicolae Ceausescu] What can you tell us about it?

[Magureanu] I do not think that such a thing was ever said. You are using rude words. You should use more elegant expressions such as genocide or.... Thus, my presence there in Tirgoviste was as a simple witness. I went there in that capacity. It was there in the evening, but I regretted it and I have already explained why. On 22 December 1989, in the afternoon, I was in Salaj and in the evening I reached Cluj on my way to Bucharest.

[Ciochina] Did they call you?

[Magureanu] Actually not! Should they have called me?! I was not called. Maybe it would be more interesting if you asked me how come that, on 23 December at around 8 o'clock [0600 GMT] in the morning, moving among flying bullets—literally—I entered the Television Building to see what is going on there. Then, the next step was—and this is a detail that you should know about—that at around 10 o'clock in the morning, but no later than 10 o'clock, I was at one of our Securitate outposts called "Florie" (from where unfortunately we could not move yet) because I wanted to take a few of my

current collaborators, who offered to fight, arms in hand, using their own weapons, to defend the Television Building. We were about 30-40 fighters. People did their duty and...

[Ciochina] How come that you had this itinerary: Salaj-Cluj-Bucharest-Television and from there to "Eforie," taking under your command certain armed people?!

[Magureanu] I did not take anybody under my command! I simply....

[Ciochina] Maybe you had previously established instructions?

[Magureanu] Do you want to now imply the theory of a plot? Your questions are so subtle that I can realize at once what you mean. Thus, in no way was I called upon to do what I did. I simply offered to do it because many people among those who were there, I am telling you, very many people, including soldiers, knew me. What you do not know, although many tales circulated on the subject of me being an illustrious unknown person, is however, that many people knew me due to certain previous connections, which went back mainly to the fact that I was for 20 years a professor at the "Party Academy." Many of the journalists also knew me, including Television staff and soldiers who were there at the television on 23 December in the morning. And, later, I held interesting meetings with former students of mine who were also soldiers and held various ranks in the military hierarchy.

[Ciochina] Do they hold the same position currently?

[Magureanu] Yes, they do, but I do not believe that this is the subject of our current discussion. However, I was not a simple person who came in from the street, an unknown person, who could not have assumed such an action. Those who were in the heat of the action at that time can judge whether I did right or wrong. The situation was so critical in those moments there that we needed several minutes to be able to come closer to the Television Building because they were shooting, without any cooperation with a person or an institution. That was my impression! If you want to contradict me you are free to come up with arguments.

[Ciochina] It seems that the Romanian Intelligence Service [SRI] has a list with the names of about 600 people who have to "disappear" because the respective persons are undesirable to the current power. What can you tell us about it?

[Magureanu] To disappear? I am sorry to disappoint you. I can tell you for sure that Magureanu does not have such a list. I am dangling between diabolical and innocent acts according to certain... however, I do not have any lists and I do not believe that, according to the way in which I have led this institution, I deserve to be viewed in the image of a person who has lists of vengeance.

In any event, I do not want to become your adversary.

Cosea Discusses Reform, Privatization Issues

AU1910111793 Bucharest ROMANIA LIBERA in Romanian 16 Oct 93 p 93

[Interview with Mircea Cosea, state minister and president of the Council for Coordination, Strategy, and Economic Reform, by Gilda Lazar; place and date not given: "Romania Has No Time To Wait"]

[Text] [Lazar] Mr. State Minister, so far you have had time to assess things. Now the time has come to act. What will be your first move within the reform process, knowing that, in your position, decision-making and action are as important as theoretical preparation?

[Cosea] The truth is that immediate action is needed and that is why I took over this position. It is difficult to say that we have reached a stage in which we have to have an absolute priority. There are so many things to be done that the most important thing is to seek a way of coupling and combining things to match my desire for change with immediate results. I think that, first, I will try by all means—from judicial initiative to discussions among people—to give an impetus to foreign investments.

[Lazar] You have said that if the accord with the IMF is not signed, you will resign. Probably before being dismissed. For, the analysts believe your role in this team is like that of Misu Negritoiu [presidential counselor], namely of a mediator between the government and international financial bodies.

[Cosea] I said that I would resign because I think that the reform is not possible in Romania—especially under the difficult circumstances of the current year—without an accord with the IMF. I will resign if the accord is not signed because of Romania, that is when I am convinced that there is a powerful force in our country that opposes our relations with the IMF and favors the preservation of outdated structures and mentalities, so that my role would practically be annihilated.

I Do Not Accept the Role of Mediator

[Lazar] Do you view yourself as a man of the moment whose role—within this government—it is to obtain an accord with the IMF or as a long-term reformer?

[Cosea] Of course I can be a man of the moment. Anyhow, I do not view myself as a perennial man within this government or the reform process. Each one has his role and stage. The most unpleasant thing is not to be aware of your age or of the historic moment to which you are committed. Without being vulgar, it is as equally inappropriate as the case of a woman who is past her first youth, but continues to wear pigtails and ribbons. The greatest talent of a man who becomes a government member is to clearly understand the time when he joins the government and, especially, the time when he should leave it.

[Lazar] You conditioned taking over this position on your right to make decisions. What have you done in this

respect, or when will you ask the executive to approve that the position you hold becomes—as initially intended—the second position in government?

[Cosea] I do not want this position to be the second or the third; what I want is for this council to become an effective body for the coordination and strategy of the reform. I presented a draft decision to the prime minister. For the time being, we are working on this alternative, which will be presented in government by mid October. Without these tasks, I believe that the Council would be null and void, it would be—exactly as you said—a mediator between the government and foreign partners. And I would not accept this role of go-between in a game in which I do not play any role.

[Lazar] Do you agree with placing the State Property Fund [FPS] under the jurisdiction of the government? What about the setting up of a Ministry for Privatization and Restructuring?

[Cosea] I am afraid of new bodies. We are very talented in this respect; we create very many things without any substance, and forms without any contents. I have to confess that I do not have many arguments in favor of setting up such a ministry. I also have to confess that I do not accept the way in which the FPS is carrying out its activity and, especially, the intention of this body to pose as an absolute owner with full rights and its own vision on the development of the economy. The truth may lie in the middle: A certain subordination, but not in a bureaucratic or centralized way. The FPS has to bear in mind the strategy of the reform and a possible scenario of Romania's development in the coming years. The current examination it has made leads to the conclusion that cooperation with the FPS is necessary until normal ways and means are found; this was discussed almost daily with the FPS president, Senator Dima.

[Lazar] It is believed that the current institutional confusion in connection with privatization and restructuring is, to a large extent, cultivated in order to delay the process. In fact, the ANP [National Agency for Privatization], the FPP [Private Property Fund], the FPS, and the Committee for Restructuring do not know what they are supposed to do. Do you believe that the decentralization of the privatization of large enterprises is necessary?

[Cosea] I am of exactly the same opinion. This confusion generates the most important obstacles. This confusion may be cultivated or not; the most important thing, however, is that it diverts the efforts and attention from the privatization process. What we have done so far is just the tiniest part of what has to be done. We have to simplify the privatization mechanism to a great extent, and decentralization is very necessary.

[Lazar] You are paying great attention to the newly emerged businessmen in the wake of the revolution, people like the Paunescu brothers...

[Cosea] The only devoted and correct allies of the reform process can be people who profit from the market economy, who live on it. It would be wrong to seek such allies as state enterprises or corporations, because by nature they will resist the privatization process.

[Lazar] Do you not think that, at a given point, the people who became rich after the revolution—like the people who got rich after the secession war, for instance—will have to pay tax to the Romanian state?

[Cosea] Of course, they will! Any wealth has to contribute to the wealth of the Romanian states. I am paying attention to such capital because it is a source of income for the state and a source of initiative.

[Lazar] And yet, there is a moral aspect involved here...

[Cosea] My affirmation was, indeed, followed by comments in the press about the morality of such capital: How much of this capital belonged to Securitate people, how much was made through fraud, and how much legally. This is a question of economic philosophy. There have been many discussions in other countries. Only this was done one century ago. The one who has accrued capital in an honest way is accepted by society the same way as the one who has accrued it by dishonest means. Capital represents a dynamizing factor, and the economy has its almost mathematical laws, which are so strict that morality, sex, hair color, or education are of no importance. Only communist theory lend the economy the idea of morality and equality. People, however, are born unequal.

The Time Indicator Is on Red

[Lazar] You are viewed as a balanced person who is dealing with the reform process—at least in your statements—in a political way. How would you characterize the reform measures taken so far, which are viewed as "liberal" by many people of the ruling party? Should you accelerate the pace of the reform?

[Cosea] The reform in Romania was tackled very timidly and at a very slow pace. We have already overcome the most painful and dangerous stages from the point of view of endurance. There would be no explanation for continuing at a slow pace. I want to discuss the exchange rate, which was broached following negotiations with the IMF. This measure may be delayed, but it cannot be eschewed. We have reached the point at which a delay will have negative economic effects. From a material point of view, Romania is running out of time; the time indicator is already on red. A delay would mean losing the advantages. The world around us is moving faster than we do. We are witnessing adjustments and associations of regional economies and this will push us to the periphery. If we do not increase our pace, we will end up at the periphery. I note the emergence of stagnation and signs of self-complacency in certain groups, and, what is of the greatest concern, a slower pace in designing new structures.

[Lazar] What are you going to do?

[Cosea] We are still in the stage at which we are satisfied with quantitative accumulations, increases in production, and a reduced number of unemployed. We have to be more mobile and propose more ambitious objectives: Changing the structure of the economy, of the potential, and, especially, a more courageous and modern approach to the place Romania will hold in the world. We still envision things on the basis of international division of labor. Modern theories regard the place of countries within a very sophisticated context of centrifugal relations. If we do not understand this thing, I am afraid we will continue to be a provincial country in Europe.

We Are in Danger of Theorizing the Necessity of a State as Administrator

[Lazar] Here a concept comes up that has also been mentioned by the president of the Court of Accounts, Ioan Bogdan: The role of the state in the economy is again very pronounced, although the classical syntagm has been modified through the addition of the words "law-governed."

[Cosea] Unfortunately, this invigoration of the theory on the state's role did not come from within Romania, but from outside it. There are international organizations, beginning with the OECD and up to the various conferences organized by the United Nations, who insist on increasing the role of the state in the economies going through a transition process.

[Lazar] Why?

[Cosea] Because these Western countries were totally unprepared for the transition that has taken place in Europe. They are afraid of the disorganization of the economic and social activity and they feel the need for someone strong in other parts, able to govern and rally forces. I would not even be surprised if they were happy if, somewhere, a Ceausescu would appear to make sure that things go well in his country and that there is peace and quiet. On the other hand, there have been moments in our development that are difficult to explain. The first period was characterized by a wild liberalization process and the second by a theoretical liberalization under Stolojan's government, which tried to repair a few things, but was limited in time. Then it became very clear that the role of the state has to increase in the economy in order to make up for the great demands we have with a small potential of resources.

[Lazar] Do you not think that we are approaching things in a wrong way?

[Cosea] Yes, yes, because of momentary difficulties, we are in danger of theorizing the necessity of a state as administrator. The state's current role is to create an economic atmosphere of competition. This is coupled by the possibility of foreign relations since the state is the one to coordinate the foreign policy. Other elements of the state's intervention in the Romanian economy would be absolutely tragic.

[Lazar] I would like you to be more concrete.

[Cosea] Now we have to try to break the monopoly and eliminate everything that discriminates against the private sector and initiative. It is very difficult, and sometimes it is easier to intervene administratively. Perhaps some measures are not explained on the basis of a substantiated theory, but rather through the convenience of a process. It is very positive that you are interested in this thing, it is very positive to frequently draw attention to the threat of the state's intervention in the national economy. From this point of view, our link with the IMF and World Bank is very important because their economic theory is a modern, liberal-type of theory. Perhaps, greater closeness would teach us how to use the positive form of the state's intervention.

From the Modern, Liberal-Type Economic Theory to Concrete Privatization

[Lazar] Why is it not applied at a large scale and when will we proceed to applying the standard privatization method for the 2,600 enterprises, which are suitable for such a method?

[Cosea] I do not know yet. I am trying to find out, but I am unable to find the reasons why this method is not applied sooner, although some of the reasons are known: conflict of interests, incapability of making a decision. I suppose this has not been prepared sufficiently. My most important objective, after attracting foreign capital, is speeding up the pace of privatizing small and medium-size enterprises, in the belief that I will not be able to obtain too much through the privatization of large enterprises.

[Lazar] You are for a swift elimination of nonprofitable enterprises and at the same time you hold that the criteria of selection have to differ, because shortfalls are not always conclusive. After the publication of the McKinsey list we received numerous protests at our editorial office on behalf of the management councils of the companies included in that list. How will you approach this problem, especially since it is part of the set of measures agreed on with the IMF to accompany the liberalization of the exchange rate?

[Cosea] With all my respect and regard for McKinsey, I have to say that I would like this list to be reassessed. It is my impression that we are hurrying a little out of the desire to prove that we are active in this area. It is not all that easy to detect enterprises operating at a loss due to the specific structure of the Romanian economy. I think that it is almost impossible for a study that has been carried out over a few months to identify the branches or enterprises, which have a future in the international economic system. These criteria have never borne in mind our association with the Common Market. With what economy do we join this body? This idea of

elimination has to be pursued in several respects, not only strictly bureaucratic respects. Otherwise we risk becoming deindustrialized.

[Lazar] What action will you take?

[Cosea] We have to bear in mind to preserve a balance between immediate financial losses and long-term financial and social losses. This is not an easy thing to do and it cannot be done by a group of experts who come in June and leave in August. The idea, however, is very important and we have to pay attention to it before the idea of restructuring agriculture. Our economy has to become an economy of services. Man's "coming out of the house and into the street," into the civilization of the street and of services, means genuine reform.

I Have Not Met the Leadership of the Social Democracy Party of Romania

[Lazar] Will the Agency for Restructuring be set up or not? Will you dissolve the Private Property Fund, as the Social Democracy Party of Romania desires?

[Cosea] This agency is going to be set up; it has been designed and negotiated on the basis of World Bank criteria. It is not clear yet where it will be set up, that is, where it will be located. Some people are of the opinion that it should be at the Reform Council, others say it should be a government institution, and yet other think it should be independent. Most of the opinions are in the direction of an agency like the Department for European Integration, of wide opening and under the jurisdiction of the prime minister.

In connection with the Private Property Fund, I have noted no signal on the basis of which I can say that it will be dissolved. On the contrary, the intention is to multiply this fund through decentralization. You paper has often emphasized that its rigid structure and limited number is one reason for the slow privatization process and, I would say, a danger for this process to be constantly on the brink of what is legal and illegal.

[Lazar] What are your relations with the ruling party? Has there been pressure in connection with the adoption of one or another measure?

[Cosea] I want to reaffirm that I am absolutely independent from a political point of view. There has been no pressure so far. I have not even had a meeting with the leadership of the ruling party. Only discussions with people belonging to that party whom I have known for a long time: Professor Albu and Professor Maior. But there has not been much time and I have also been away to attend negotiations. I have, however, expressed the desire to hold a meeting with the party leadership, not in order to get its approval, but to set my mind at ease that I have become acquainted with what they think. I believe that relations with that party are essential, because political support is needed. Similarly, relations with parliament are also essential, as are those with important figures of the opposition.

Again About "the Management of Imbalances"

[Lazar] Do you not think that the IMF has shown great benevolence when it granted our government more time for thought, because the international situation is a problematic one just now (elections in Poland, the situation in Moscow)?

[Cosea] I do not know, but I am very pleased with the way we presented ourselves in Washington. I had the impression that we were not only taken seriously, but that we also represent a very important theoretical force. Certainly, there is always an atmosphere that helps you or not. Romania is a country that has not been included in a system of direct correlations of late. It is amazing and painful to realize how little we are known in the world.

The events in Russia have had no influence in Washington at all. At the negotiations, Poland was heeded to a greater extent; the moment I mentioned this fact, I was told that, in fact, the communists in Poland are no longer those of 10 years ago, that all of them are involved in business and, probably, the reform in Poland will proceed more rapidly and without any doubt. I think that both the IMF and the World Bank have understood that the reform is, in fact, a day-by-day process, difficult to predict, difficult to control. They have understood that they may trust their partner to the extent to which he is able to manage things.

[Lazar] This is what Stolojan said a year ago.

[Cosea] He said that he is "managing imbalances," a phrase that—coming from a prime minister—seemed completely out of place. You have to know, however, that this idea is very present both within the IMF and the World Bank. The transition process is a stage in which the government does not have to prove creativity, but extraordinary understanding for the given moment. To understand that there are imbalances means much more than the desire to eliminate them. Romania's picture of achieving the criteria of performance is much better than that of other countries. Once again we are placed among those who have to jump as high as possible. Maybe it is good so. I think that such a condition set by the World Bank and the IMF is like the condition you have affirmed toward the government. The press, in this case the IMF, has to stimulate, to draw attention, and, in a way, give an impetus to the activity of the one who has to play the role of leader.

I hope that such an attitude will contribute to drawing attention—at all levels, both economic and political—to the fact that this is the great moment of action. For, I want to repeat, Romania has no time to wait for another reform, another change, or another stance.

Gherman Comments on Council of Europe Association

AU2110093393 Bucharest ROMANIA LIBERA in Romanian 16 Oct 93 p 3

[Interview with Oliviu Gherman, chairman of the Romanian Senate and president of the Social Democracy Party of Romania, by Roxana Badralexi; place and date not given: "I Do Not Feel Like Mr. Iliescu's Favorite Child"]

[Text] [Badralexi] Mr. Gherman, I would like to ask you to be so kind and mediate in the difference of opinion between Adrian Nastase [chairman of the Chamber of Deputies] and Ion Iliescu regarding the role of the opposition in facilitating Romania's association to the Council of Europe [CE]. The third man in the country [Nastase] assesses the role of the opposition as basically beneficial. The first man in the country [Iliescu] believes that Romania's acceptance to the Council of Europe is a victory over the opposition. How does the second man [Gherman] in the country see this issue? Who is right?

[Gherman] I would like to tell you that I believe half sentences are very dangerous. I listened to the issued communique and I believe it was in the morning, broadcast by the BBC. The reporter asked Mr. Iliescu to specify who were those persons in the opposition that were working, in the past, against Romania's acceptance onto the Council of Europe. If I understood it correctly, the question was aimed at individualizing those persons who opposed Romania's acceptance onto the Council of Europe.

Mr. Iliescu's answer was that he was not going to name those persons, however, there were political forces that, in the past, opposed our being accepted by the Council of Europe. Well, I would like us to recall past events that are reflected in the present political moment. I would like to say that, for a long time, mainly in 1990, maybe also in 1991, there was indeed this issue of a different approach to our association to the Council of Europe. You remember, there were statements to the effect that the power of that time, that is, the National Salvation Front, was bringing grist to its own mill. That is, apparently they said that the association would have meant the success of the respective political group.

[Badralexi] The same argument could be valid today, especially considering President Iliescu's statements made in Vienna.

[Gherman] Wait a minute. Let us recall those events. Instead of asking me to mediate between two persons that I respect, you had better read the statements made at that time by some members of the opposition.

[Badralexi] Mr. Gherman, was that the reason why we were not accepted onto the Council of Europe at that time?

[Gherman] This was not what you asked me to discuss. Let us return to our issue. Thus, the reporter asked the president who opposed our acceptance to the Council of Europe. I can tell you that, especially after the September 1992 elections, all political forces militated for Romania entering Europe. Therefore, one cannot talk about any difference of opinion. If you ask the president of the country about the attitude of political forces in Romania regarding our association to the Council of Europe he will tell you what I told you, namely that all political forces today militated for that action.

[Badralexi] Have they militated or also played a certain role in a Europe that has a mainly right orientation?

[Gherman] I have also stated that the opposition is not only a prop in a play that is being performed. It has as important a role in the political activity as the role of the ruling party or parties. The opposition and the government party together make up the mandatory structure of each democracy.

[Badralexi] Is this opinion also shared by your colleagues in the party?

[Gherman] It would be better if you asked them.

[Badralexi] Thus, you concur with Mr. Nastase's opinion.

[Gherman] Precisely. But President Iliescu also has the same opinion.

[Badralexi] Maybe. But he did not say so either in Vienna or....

[Gherman] Because nobody asked him about it. Moreover, the president did not wish to name those who opposed the association.

[Badralexi] Let us return to the years to which the country's president also referred. Do you believe that our lack of success then was due precisely to the attitude of the opposition?

[Gherman] It would mean that I have what is called political shortsightedness, namely, to pass over the responsibility for not having been accepted exclusively to the opposition. There were numerous factors that combined in the delay of our acceptance by the Council of Europe. There were both objective and subjective factors. The objective factors are connected to the fact that the communist dictatorship in Romania had the most aberrant form compared to all the neighboring countries. On the other hand, there were persons and political forces that added some other problems through their attitude to the existing real problems. I do not wish to go any further, but I believe that including the memorandum advanced by the Democratic Union of Hungarians in Romania [UDMR] at the time when Romania's acceptance to the Council of Europe was topical, was not a gesture meant to support this process either.

[Badralexi] Mr. Gherman, nevertheless, this time, in spite of the memorandum, Romania has been accepted. Are these the subjective factors that you had in mind?

[Gherman] These are the subjective factors...

[Badralexi] Thus, the opposition is guilty also when we are talking from a subjective point of view?

[Gherman] I could not say that the UDMR for example is an opposition party. That is a party representing a certain ethnic group. I ask myself, if things were the other way around, and if the PDSR [Social Democracy Party of Romania] would be in the opposition, do you believe that the UDMR would become a ruling party!? Thus, one cannot talk about parties, but about certain persons or certain formations that put pressure against this current.

[Badralexi] But were representatives of those in power at that time and of the current power not included in the category of "subjective factors"?

[Gherman] When a divorce is taking place in a family, it would be a mistake to blame only one side. That is, at the moment, one cannot point exactly at the person who made a mistake, when he made a mistake. It is possible that a measure taken with the best of intentions was perceived by the Council of Europe as an inadequate measure.

[Badralexi] Could you give me an example?

[Gherman] I am going to give you one. The good and blessed belief of our electorate that the homosexuality issue does not go together with the ancient believes of our people....

[Badralexi] I am forced to interrupt you. This is a factor that appeared very recently. We, just like Mr. Iliescu, referred to mistakes that were made in the past.

[Gherman] I do not want to turn into a judge. Certainly there have been mistakes. Nevertheless, one thing is certain: The standards imposed on Romania were greatly different from standards demanded from other countries.

[Badralexi] If, as a result of the control imposed on Romania, the conclusions of the Council of Europe are not going to be satisfactory, who is going to be blamed for that?

[Gherman] Your question already includes the answer. If there are concrete elements to be found, then the guilty ones will also be found.

[Badralexi] Then who is responsible with respecting obligations that Romania has assumed?

[Gherman] All of us. The responsibility lies with all structures of a rule-of-law state.

[Badralexi] In conclusion, Mr. Gherman, I would like to ask you how do you and your colleagues in he party feel in the role of President Iliescu's favorite children?

[Gherman] The family relation is a little farfetched. I do not feel like Mr. Iliescu's favorite child. As far as my relations with the president are concerned, it is based on complete honesty. We tell each other everything that we think of, and not what we believe we would like to hear.

[Badralexi] This is very nice, but this was not what I asked you. Let me rephrase it: Do you believe that Mr. Coposu should feel toward Mr. Iliescu the way you do?

[Gherman] Certainly.

[Badralexi] Thank you.

PL-'93 Decides Against Merger With PNL

AU2010202093 Bucharest EVENIMENTUL ZILEI in Romanian 20 Oct 93 p 4

[Article by Marcela Feraru: "Liberal Party-'93 Decided: The National Liberal Party Will Be Permitted To Die"]

[Excerpts] Last Saturday, 16 October, in a marathon session that ended after 2000 hours [1700 GMT], the National Council of the Liberal Party-'93 [PL-'93] met for the first time after the last merger with the civic-liberal group from the Civic Alliance Party [PAC]. The meeting was almost entirely devoted to discussions on the subject of unification of the liberal movement, at the specific request of the civic-liberal grouping from PAC and the former group for the moral reform of the National Liberal Party [PNL].

After stormy debates marked by passionate appeals by Stelian Tanase, Alexandru Popovici, Valeriu Stoica, Dinu Patriciu, Hora Rusu, and several young parliamentarians of the former National Liberal Party-Young Wing [PNL-AT], the talks with the PNL were buried for good. The Steering Committee was charged with the task of taking the "necessary steps to promote the unification of the liberals." This formula, arrived at after several hours of discussions, leaves no room for doubt: Those who consider themselves liberals are invited to join PL-'93. [passage omitted]

The meeting was opened by Vintila Bratianu, president of the PL-'93 National Council, who insisted that the merger with PNL be introduced as a separate point of the meeting's agenda.

Horia Rusu, PL-'93 president, referred to the "unification by expulsion," since the successive waves of merging leading to the current PL-'93 are due to expulsions from PNL or PAC.

Valeriu Stoica [member of the PL-'93 Steering Committee] talked for more than a half hour in favor of merging with the PNL, reviewing the pros and cons of such a merger. [passage omitted]

Stelian Tanase [former PAC vice president] said: "If we do not take power at the next elections, disaster will strike the country."

Dinu Patriciu, leader of the PL-'93 Parliamentary Group in the Chamber of Deputies, opened the series of arguments against the merger, claiming that the PNL is actually a party of opportunists always ready to change sides.

Bogdan Naumovici, head of the Youth Organization of PL-'93 was even more vehement: "We will not be offering social protection to the PNL." Deputy Gheorghe Todut said: "Generally speaking, those who are in favor of such mergers only want to mask their inactivity." [passage omitted]

Editorial Views Rift Between PUNR-PDSR

AU1910110593 Bucharest EVENIMENTUL ZILEI in Romanian 15 Oct 93 p 1

[Editorial by Ion Cristoiu: "Restlessness Within the Romanian National Unity Party"]

[Text] Romania's two international successes—the admittance to the Council of Europe and the granting of most-favored-nation status [MFN] by the United States—seem to lie heavy in the stomach of Romanian political life. Hit by indigestion, all parties are dozing. The only exception to this general apathy is the Romanian National Unity Party [PUNR]. The party of Gheorghe Funar [PUNR president and mayor of Cluj-Napoca] has been going through a period of great restlessness of late: It practically wants to talk to anyone it bumps into. If we were to give credence to the PUNR leaders, the party is engaged in negotiations with almost all political groupings: the Social Democracy Party of Romania [PDSR], the Socialist Party of Labor [PSM], the National Peasant Christian Democratic Party [PNTCD], and the Democratic Agrarian Party of Romania [PDAR]. I said "if we were to give credence" to their saying because there is something strange about these negotiations, namely that only the PUNR is talking about them. None of the other parties named as having sat at the table of negotiations with the PUNR is eager to talk about the negotiations. What is more, some of them—the PNTCD, for instance—have firmly denied that they have had any meetings with the PUNR. Even more bizarre is the fact that even the PUNR's insistent and loud statements do not disclose very much about the negotiations that the party claims it has been conducting on a large scale. Any political negotiation presupposes a firm and clear goal to be announced to the public at large. Whenever they are asked about the target of these negotiations, the PUNR leaders duck the question. They just say that they are conducting negotiations. However, the most striking discrepancy between the PUNR claims and the actual reality occurred during the so-called negotiations on their participation in the government. From Cluj, Gheorghe Funar and Ioan Gavra [PUNR vice president] gave frightening ultimatums to the government and presidency. By listening to them, one had the impression that, if the ministers headed by Prime Minister Nicolae Vacaroiu do not make room in the government for the PUNR ministers, then the country might be on the brink of a civil war. But nothing of the kind has happened. The PUNR leaders became hoarse shouting across the Carpathians to Nicolae Vacaroiu and President Ion Iliescu to pay some attention to them. But the government went about its business as usual, while Ion Iliescu, his pride hurt, reacted immediately. The president's latest public statements have become increasingly more threatening about the Caritas [nationwide money-multiplying scheme operating out of Cluj-Napoca with Gheorghe Funar's blessing] game. An old fox, Ion Iliescu immediately realized where the vulnerable point of the crocodile called the PUNR is. Seeing that they can achieve nothing by crying wolf, the PUNR leaders changed their tactics. They started telling everyone that they are conducting talks with the government and the PDSR to get a chunk of the power. However, no one can swear whether these talks actually took place. Of course, the PUNR leaders were seen stepping into the palace in Victory Square [government headquarters] daily. One can even go so far as to say that they did their best to be noticed. However, we only know very little of what has happened afterward. Neither they nor the prime minister were very talkative. Maybe the PUNR leaders only put up a show of entering the building. Maybe, after turning the corner, they went to the buffet rather than the prime minister's office. But then again, maybe they did go to the prime minister and even talked to him—not so much about governing, as about something else, more on Nicolae Vacaroiu's liking, like the Rapid soccer team for instance. In the absence of elementary data about any kind of negotiations, the PUNR statements about negotiations on participation in the government remain mere fables.

Still, there is something strange about the story with the PUNR's negotiations. Ioan Gavra and Gheorghe Funar obviously belong to the more flamboyant genre of the current Romanian political landscape. Many of their gestures and statements have no political foundation. Their only motivation is psychological: the need to constantly be the center of attention, by all means. Nevertheless, it is hard to believe that they are playing the present comedy of negotiations just for the sake of publicity. If you do too much ado about nonexistent negotiations, you risk becoming ridiculous. This is most dangerous in a country where ridicule can kill. Therefore, one can say that there is a well-coordinated scenario—put together by the governmental coalition—behind this latest restlessness within PUNR. The watchers of the PDSR's policy to date have realized that one of its major tactics was to pretend to be weak. As a matter of fact, this is a good tactic that they borrowed from Ion Iliescu. Since October 1992 until now, the government has given the impression that it is on the point of falling on scores of occasions, but each time it proved to be master of the situation. This tactic is designed to counter the possibility of the opposition getting united. It also seems to have a say in the hullabaloo raised by the PUNR on the issue of negotiations. Taking the PUNR's threats to withdraw its parliamentary support for the PDSR seriously, the opposition is

waiting for a major political crisis to break out at any moment now, a crisis, from which it stands to profit, of course. However, the opposition fails to realize that everything is nothing else but a farce, concocted by masters in political diversion.

Ruling Parties, Banking System Viewed

AU2110084593 Bucharest EVENIMENTUL ZILEI in Romanian 18 Oct 93 p 1

[Article by Ion Cristoiu: "Taking the Banks by Storm"]

[Text] At the end of a stormy meeting, which almost threatened to turn into a brawl at times, the Chamber of Deputies voted last Friday, 15 October, to set up an inquiry commission to investigate the activity of the banks, whose majority capital is state owned, on the following points: their currency regime, their system of granting bank credits, and their system of accounts and interest rates. The Friday moment represents the peak of a vehement campaign against the banks conducted for a long time by the Romanian National Unity Party [PUNR], the Socialist Party of Labor [PSM], the Greater Romania Party [PRM], and the Social Democracy Party of Romania [PDSR]. PSM Senator Adrian Paunescu was the mouth of this campaign against the banks. Both from the parliament rostrum and in the pages of his family magazines, Adrian Paunescu incessantly attacked, without tiring for a single moment, the activity of the banks. He was supported, directly or furtively, by PUNR, PRM, and PDSR representatives. The PUNR representatives were equally as vicious as Adrian Paunescu. Since their activity was carried out more in the political sphere and less in the publishing one, their anti-banking fury was less spectacular than that of PSM Vice President Adrian Paunescu. The voices attacking the banks, headed by Adrian Paunescu, resorted to big words. The banks were blamed for the national currency's devaluation, for turning themselves into a state in state, and for unconditionally giving in to the requirements of the international financial bodies. They gave the impression that the violent campaign against the banks has a higher moral foundation. Its authors wanted to appear in the eyes of the public as politicians concerned with the deterioration of the daily life and as patriots concerned with the jeopardizing of national independence and sovereignty.

In truth, the campaign against the banks has a much more earthly hidden motive than the one that the conservatives in our political landscape are trying to dupe us into believing. Something else is hidden behind the demagogic expressions of concern formulated from the parliament's rostrum, namely the intention of certain political groupings to lay hold of the banks. Despite their nostalgia for the past days of the Ceausescu system, the nationalist-communists realized quite rapidly that nothing can be accomplished in today's Romania without money. The conservative side of our political spectrum is visibly interested in provoking early general elections. Against the background of the failure of the so-called reform process, it hopes to achieve a striking success at these elections.

However, elections mean electoral campaign, which in turn means money. The banks give credits and guarantee imports. It is obvious that they may lend money to one guy, while turning the other one down. Therefore, the matter of the individuals heading the banks in today's Romania is of vital importance to everybody. The PUNR, PSM, and part of the PDSR dream of placing their own people in the various bank managements. Thus, the money they need for their political—and why not say it, business—interests will be easier to obtain, than was the case so far. However, against this background of common interests of the aforementioned three parties, there are also various nuances. The PDSR, for instance, wants to lay hold of the banks in order to cope with the current crisis. The leaders of the banks, particularly those of the National Bank, have strenuously opposed the government's attempts to print more money without coverage. The government thought that by doing this, it could satisfy the ever growing demand for ever higher salaries. Of course, printing money without coverage is tantamount to a national catastrophe in the long run. But the government and the government party do not think any farther than the interests of the moment. As far as they are concerned, the important thing is to politically survive from one day to the next. Consequently, they should place at the head of the banks people who are ready to accommodate them in this respect. Another party, PUNR, has a different kind of interest as well: to continue the Caritas [nationwide money-multiplying scheme operating out of Cluj with PUNR's blessing] phenomenon, which, sooner or later, is bound to fall apart. The serious social and political consequences of this affair for PUNR, which supports the entire scheme in Cluj, are quite foreseeable. A possible saving solution would be if the National Bank were to supply the money that Caritas will not be able to pay back at a certain point. With Mugur Isarescu at the head of the National Bank, such a thing is impossible. Consequently, PUNR has made it a matter of life and death to have Isarescu removed from his position and to replace him with someone who is willing to save the party from the fury of the people hurt by Caritas. Unfortunately, in the Chamber of Deputies, two opposition parties, the National Peasant Christian Democratic Party [PNTCD] and the Liberal Party '93 [PL '93] supported the setting up of an inquiry commission for the activity of the banks. The PNTCD did it because the Democratic Party (National Salvation Front) [PD(FSN)] spoke out against the commission, while PL '93 did the same because the National Bank has not proven willing enough to meet that party's businessmen halfway. It is not the first time that the opposition parties do not look beyond their petty interests.

Trade Official Views Advantages of MFN Status

AU2110120493 Bucharest ROMPRES in English 0846 GMT 21 Oct 93

[Text] Bucharest ROMPRES 21/10/93—"The granting anew of the most favoured nation [MFN] status to

Romania might determine in 1994 trade exchanges between Romania and the United States worth 600 million U.S. dollars," Ion Pargaru, Trade Ministry director estimated in a statement for ROMPRES.

Director Pargaru showed that the 1984 and 1988 peaks of Romanian exports to the USA could be reached again in maximum three years from the date the Romanian-U.S. Trade Agreement becomes effective, "provided the MFN status, which is now renewed every year, is extended."

The ratification of the trade agreement with Romania will have positive effects for Romania, such as the access to the market with the highest potential of absorption in the world, and to the economic assistance programmes the United States provides for the countries attaining the status.

The status will help Romania put to better use a number of productive units designed from the start for exports to the United States.

The growth of Romanian exports and the cut of customs duties for Romanian products from the present 65-70 percent on the average to 8-12 percent under the clause, would bring a greater hard currency inflow, apt to diminish Romania's trade balance deficit, the Romanian Trade Ministry official said.

Trend of Trade Relations With Hungary Viewed

AU2110112493 Bucharest ROMPRES in English 0849 GMT 21 Oct 93

[Text] Bucharest ROMPRES 21/10/1993—The ways to diversify goods exchanges between Romanian and Hungarian companies, and the improvement of the legislative background governing the economic relations between the two sides will be the main subjects at the talks Romanian Trade Secretary Mihai Berinde is going to have Thursday, 21 October, at Oradea, Romania, with his Hungarian counterpart, Lajos Berenyi, state secretary in the Hungarian Ministry of International Economic Relations, the Romanian Trade Ministry informs.

The parties will also examine the possibilities of establishing mixed-capital banks, and aspects of the European economic integration.

The trade exchanges between Romania and Hungary have followed an ascending curve over the past two years, which brings Hungary to the second place among Romania's East-European partners, after the Russian Federation. The worth of bilateral commercial exchanges reached 260 million U.S. dollars in 1992, and 160 million U.S. dollars over the first eight months of the current year, of which 70 million U.S. dollars are Romanian exports to Hungary.

Imbalance Between Energy Demand, Production

AU2110114893 Bucharest ROMPRES in English 0859 GMT 21 Oct 93

[Text] Bucharest ROMPRES 21/10/1993—"The imbalance created mostly over the past decade between energy demand in the economy and power resources have to be put an end to," writes ECONOMISTUL in a comment. That can be done only by a basic restructuring of the economy, with the modification of the ratio between high-consuming and low-productivity branches and those that can face competition. The comment specifies that such changes can be operated on short term only if privatisation gains ground over the next 2-3 years. "A fundamental objective of the power policy for the coming decade is the cutting down of imported resources," by "optimizing consumption and enforcing a unitary power conservation policy."

The analysis in ECONOMISTUL is based on data from the National Statistical Board, which show clear recession signs over the past three years. The 1992 industrial output for instance was 22 percent lower than that of 1991 and stood for only 46 percent of the production of 1989. The data show that power consumption diminished at the expense of a drop in production, with certain chemistry, metal processing, machine building, building materials units being halted or drastically reducing their activities. The comment draws attention to a larger and larger gap over the past three years between power demand in the Romanian economy and the possibility to satisfy it. The economic policy was centered over this period on supplying energy to industry, even when part of the units could not pay for it.

Military Aircraft Being Serviced in Hungary

AU2010144293 Bucharest DIMINEATA in Romanian 14 Oct 93 pp 1, 5

[Article by Ion Pavelescu: "MI Helicopters Under the Curse of the Council for Mutual Economic Assistance"]

[Excerpts] I have learned an incredible thing. It is so stupefying that I asked my interlocutors to repeat it three times, because I could not believe it is true. Our Soviet-made MI helicopters (named after Mikoyan, one of the great aircraft constructors of the former USSR), a great many of which are used by the Romanian Air Force, are being repaired in Hungary. Periodically they are sent over the border for maintenance and we pay the costs. To fully comprehend the absurdity of this situation, it is absolutely essential to clarify some other circumstances.

Romania is one of the few members of the most elite club of aircraft-manufacturing countries. For that branch of Romanian industry the maintenance of such equipment has been routine ever since the fifties. Besides having the necessary equipment to do it, we also have highly trained experts who are able to complete infinitely complex and delicate tasks. And why should we not admit it, considering the current crisis facing our aviation industry, if

repair work is simple or not, it would not do us any harm to repair our aircraft ourselves.

But how did this unnatural situation occur? The answer is quite simple and it is related to the decisions that used to be imposed on us at the time our country was a member of the Council for Mutual Economic Assistance [CEMA]. [passage omitted]

They decided that all MI-type helicopters of the CEMA countries should be repaired in Hungary. At that time such a measure might have made sense, as the Hungarian steppes were full of Russian bases. Those troops were certainly also equipped with helicopters of the mentioned class, so they built up local maintenance units for the centralized repair of all such aircraft belonging to the "fraternal" armies as well.

Considering the permanent distrust of the Russians regarding our country, it cannot be excluded that the purpose of this measure was to submit us to effective control. Judging from the parts of our aircraft that were broken, they could easily deduce what we were using the helicopters for. From that they could draw further conclusions.

At the beginning of the nineties, however, CEMA dissolved itself. Little by little, the Russian troops were also pulled out of Hungary. In these circumstances why do we continue to send our MI helicopters to Hungary for maintenance? This can be explained in two ways, only. It is either a matter of inertia, which means that the curse of CEMA is still reaching us from out of its grave, or it is a decision taken by our country to leave everything as it was to avoid hurting the susceptibility of the Hungarian side.

There could be a third explanation as well, but if true, it would be really unpleasant for all those clinging to such anachronistic things. The defense department providing our forces with equipment owes huge amounts to the Romanian airplane plants currently engaged in the maintenance and repair of various air force aircraft. They owe the Romaero SA company alone more than half a billion lei, an amount which—considering the company's current financial difficulties—would be more than welcome. We dare not even mention the possibility that they might be clinging to that outdated arrangement simply to avoid making new debts at home.

Besides all this, a question of principle arises. Can Romania really afford to depend, even if the issue is a minor one, on the pleasure of a neighbor that does not even signal that it wishes to become more cooperative with us? I invite all gentlemen entitled to take such decisions to put an end to that curse still stigmatizing us.

Press Views Alleged Violation of UN Sanctions

94P20029A

[Editorial Report] An early October series of articles in the Bucharest dailies EVENIMENTUL ZILEI and ROMANIA LIBERA details a violation of UN sanctions against Serbia, allegedly with official Romanian complicity, by the diversion of a string of oil-laden barges from a Romanian port to Serbia. The incident involved the tugboat Giurgiu-18 towing a convoy of six barges carrying $6 million worth of fuel down the Danube.

According to statements by the convoy's helmsman published in EVENIMENTUL ZILEI of 4 October, the Giurgiu-18 convoy left the port of Gruia, Romania, in the early morning hours on 3 September for the Romanian ports of Drobeta Turnu-Severin and Orsova, as well as a German port. With the owner of the cargo Nicolae "Liviu" Buric on board, the convoy traveled without incident until the evening of 9 September, when Buric announced that the Giurgiu-18's motor was malfunctioning and that he would accompany the tugboat to port for repairs, while the rest of the convoy remained anchored on the Danube near Gruia.

The helmsman states that in the dead of the night the Serbian motorized barge Kaimacalan [as published] pushed the six vessels to the Serbian port of Prahovo, the Serbs painting over the ships' registration numbers to camouflage their identity. When the convoy arrived at Prahovo in the early morning, the Serbs began unloading the oil. According to the helmsman's account, Buric reappeared on 21 September to help with the cargo's unloading and met with the Serb who was receiving the shipment. The helmsman overheard the Serb being addressed as "Arkan." [In a boxed passage, EVENIMENTUL ZILEI misidentifies "Arkan" as Serb politician and paramilitary leader Vojislav Seselj and publishes a photograph of Seselj. "Arkan" is the alias of a different politician and paramilitary leader, Zeljko Raznjatovic.] The Serb showed the Romanian crew an "order from Bucharest" stating that the cargo was for "defense." On 22 September, the Kaimacalan brought the empty barges back to the location from which they had been taken near Gruia. According to EVENIMENTUL ZILEI of 4 October, the convoy's crew was subsequently arrested by Romanian authorities in Gruia.

While Romanian authorities claim to have not known about the violation while it was taking place, according to EVENIMENTUL ZILEI of 4 October, the paper charges that it is impossible for any vessel to travel the Danube without being observed, noting that Minister of Transportation Paul Teodoru receives a status report every morning on ships navigating the Danube. Based on this official knowledge of the whereabouts of every ship, the paper charges that the rerouting could not have taken place without the complicity of Romanian authorities.

EVENIMENTUL ZILEI of 5 October notes that San Mar SRL [Ltd.] of Galati was listed officially as the shipper of the oil and although San Mar does not hold a permit for river transport, Navitrans SRL, a Galati firm in which Liviu Buric is a partner, is so licensed. The president of the Galati Chamber of Commerce, Dan Lilian Gogoncea, is cited by the paper as declaring that if San Mar did make the shipment, it did so illegally. The

paper also cites evidence that the Giurgiu-18 belongs to the state firm Giurgiunav, which it says issued orders to proceed to the Romanian river port of Drobeta Turnu-Severin, even though that port has no terminal for petroleum products. Finally, the same paper charges that despite official claims that the Giurgiu-18 had been seized and was under guard, the tugboat was actually located in an unguarded location.

The daily ROMANIA LIBERA further elaborates on the case in its 11 October issue, noting that the Giurgiu-18 "deal" involves the Galati steel combine and the London-based Iranian firm Bali. Bali's Romanian representative is General Victor Stanculescu, who was minister of the national economy and, subsequently, minister of defense, following the 1989 revolution.

Customs Director Mihai Pinzariu has declared that a file on the Giurgiu-18 case would be submitted to the General Parquet (prosecutor's office) by 15 October, EVENIMENTUL ZILEI of 11 October reports.

Foreign Media Bulletin: Balkan Crisis 21 October

WA2110170393

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Milosevic dissolves Serbian Assembly, calls new elections ... Bosnian Presidency announces new members.

POLITICAL

MILOSEVIC DISSOLVES ASSEMBLY (Belgrade TV, TANJUG): Saying there are not "many citizens in the entire Serbia" who approve "of the current stalemate in the Serbian Assembly," Serbian President Milosevic dissolves the assembly and calls for new elections on 19 December. Reacting to Milosevic's decision, Serbian Radical Party leader Seselj says the president has "lost his head as well as his nerve," while opposition Democratic Party leader Micunovic calls move "surprisingly premature." (AU2010190693, LD2010222493, LD2010205593)

BOSNIAN PRESIDENCY ANNOUNCES NEW MEMBERS (Sarajevo Radio): Bosnian Presidency announces that the Croatian prime minister and two Croatian representatives—all of whom had split froin the Presidency when fighting began between Muslims and Croats—have been replaced. (AU2010192793)

Presidency Statement Announces New Members

AU2010192793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 20 Oct 93

[Text] Esteemed listeners, we have just received a statement issued by the Presidency of Bosnia-Herzegovina, which states the following:

The Presidency today held a session chaired by Alija Izetbegovic, president of the Presidency. The Presidency of the Republic of Bosnia-Herzegovina, acting on behalf of the Assembly, has adopted the following decisions:

The current Presidency members Franjo Boras and Miro Lasic have been relieved of their duties. Nijaz Durakovic, Stjepan Kljujic, and Ivo Komsic have been elected as new members of the Presidency. The Party of Democratic Action will nominate the prime minister designate of the Bosnia-Herzegovina Government. The Presidency will hold preliminary consultations with the prime minister designate and acquaint itself with the program and composition of the prime minister designate's government. After that the Presidency will decide on the prime minister.

The Party of Democratic Action has expressed interest in a personnel change insofar as the chairman of the Assembly of the Republic of Bosnia-Herzegovina is concerned. This issue remains open.

This was stated in a communique issued by the Information Service of the Presidency of the Republic of Bosnia-Herzegovina.

UNPROFOR To Resume Activities

AU2010120893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 20 Oct 93

[Text] The UN Protection Forces [UNPROFOR] will today resume work to secure the repairs of the electricity, water, and gas network in Sarajevo, since the Bosnia-Herzegovina Army members yesterday afternoon returned the peace forces' captured personnel carrier. This was announced today in the blue berets' Sarajevo headquarters.

The personnel carrier is in good condition, its weapons and equipment are intact. However, a machine gun and several bullet-proof vests are missing, said UNPROFOR representative Bill Aikman. He added that the 1st Corps had promised to see to it that the items are returned. Aikman assessed the past 24 hours in Sarajevo as being stable and said that UN observers had registered intensified sniper fire and the already commonplace shelling of Mt. Zuc from the aggressor's positions.

Sarajevo Receiving 'Minimal' Electricity

AU2110101993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 21 Oct 93

[Text] Sarajevo is receiving minimal quantities of electricity today. The teams of Elektroprenos repairmen have gone out this morning to try to repair, with the assistance of UN Protection Forces, the high voltage transmission line near Kiseljak. If the repairmen manage to repair a serious breakdown today, the supply of electricity could improve.

Sarajevo continues to be without water as the main spring in Bacevo does not have any electricity. A very small amount of water is coming to a part of the town from the springs in Jahorina. There is water also in Pivara spring.

As the Sarajevo water board stresses, [word indistinct] supply of water to the town [word indistinct] between 2.5 to 4 megawatts of electricity would be needed.

Despite the problems with [words indistinct] electricity and low pressure in the gas pipes, Velepekara today baked bread for approximately 78 percent of Sarajevo local communities. All hospitals, soup kitchens, communal dormitories, and other priority users in the town will receive bread.

Red Cross Details on Prisoner Exchange

LD2010120493 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 20 Oct 93

[Text] Lisa Jones, a spokeswoman of the International Committee of Red Cross in Zagreb, reported today that 1,037 prisoners were exchanged in yesterday's prisoners' exchange in Herzegovina. The Muslims released 309 persons from the camps in Konjic, of whom 307 went to Mostar, while two remained in Konjic, the Red Cross spokeswoman said. She said that the Croats released 728 prisoners from the camp in Gabela, of which 554 went to Jablanica, while 174 remained in Gabela. The Red Cross spokeswoman explained that prior to their release every prisoner was asked where they wanted to go after release.

Both sides are expected to release another 140 people today in the Mostar area. The International Committee of the Red Cross expects the exchange to take place this afternoon.

Red Cross: Exchange of Serbs, Muslims Delayed

AU2010144093 Paris AFP in English 1415 GMT 20 Oct 93

[Text] Sarajevo, Oct 20 (AFP)—An exchange of Serbian and Moslem prisoners, scheduled to begin on Wednesday [20 October], was delayed due to new conditions imposed by both parties, a Red Cross spokesman said.

Further details of the prisoner exchange should be addressed on Friday, when a new round of talks—supervised by the International Committee for the Red Cross (ICRC)—is held between the two parties.

The delay follows the unprecedented exchange of more than 1,000 Croat and Moslem prisoners in southern Bosnia-Herzegovina on Tuesday. The release of so many

prisoners in a single day was unprecedented in ICRC history, a deputy to Henry Collomb, the organization's delegate general for Europe, said here Wednesday.

The succesful completion of prisoner exchange operations "could create favorable conditions for new negotiations" among the warring factions, the deputy added.

A total of 728 detained Moslems were freed from a Croat camp in Gabela, 30 kilometres (18 miles) south of Mostar, on Tuesday. Some of the liberated prisoners chose to stay in the region, while 551 others were transported to the Bosnian-controlled region of Jablanica.

Also on Tuesday, 309 Croats were freed from the prison at Konjic, 70 kilometres (40 miles) north of Mostar, and transported in a U.N.-escorted convoy to a Croatian-controlled area west of Mostar.

Meanwhile, Bosnian Croat forces, known as the HVO, and the Moslem-dominated Bosnian Army completed an exchange of 44 additional detainees, imprisoned for more than six months in the Croatian-controlled pocket of Drecelj. They were transported to the nearby town of Konjic, in southeast Bosnia.

An exchange of Croat and Moslem prisoners was expected to begin in Mostar on Wednesday, a process that was expected to take 10 days.

A total of 6,340 Serb, Croat and Moslem detainees registered by the ICRC are expected to be freed overall.

On Wednesday, SRNA, the Bosnian Serb news agency, announced that a convoy carrying 4,000 to 6,000 Bosnian Croats civilians had travelled from the Croatian-dominated town of Kiseljak, 30 kilometers (18 miles) north of Sarajevo, through the self-proclaimed Serbian republic in Bosnia on Tuesday on its way to Croatian-controlled western Herzegovina.

The Serb-Croatian cooperation that allowed the safe passage of the convy was "not exceptional," according to an anonymous source at Srna.

"Serbians have always allowed for the evacuation of civilians from combat zones," he said.

According to the ICRC deputy, convoy security and free access to certain zones—including Maglaj, Tesanj, north of central Bosnia, and Tarcin, south of Sarajevo—are "high priority" operations in the area.

Over 5,500 Croat Refugees Arrive in Capljina

LD2010171393 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 20 Oct 93

[Excerpt] A convoy with more than 5,500 Croat refugees from Vares arrived in Capljina this afternoon. Zdenko Vranjes reports for Croatian Radio.

[Vranjes] A long column composed of some 130 vehicles entered Capljina at 1400 today. According to still unconfirmed reports, between 5,500 and 6,000 people have arrived—at least 1,000 more than initially expected. [passage omitted]

Croats To Evacuate Civilians Via Serb-Held Areas

LD2110131893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1059 GMT 21 Oct 93

[Excerpts] Bratunac, 21 Oct (TANJUG)—All humanitarian convoys will continue to pass safely and unhindered through the territory of the republic of Srpska, and will be escorted by UNPROFOR [UN Protection Forces] and patrols of the republic of Srpska's army.

This is the gist of an agreement reached in Sarajevo yesterday between Manojlo Milovanovic, the chief of the general staff of the army of the Srpska republic, and General Ramsey, the new UNPROFOR commander for Bosnia-Herzegovina. [passage omitted]

General Milovanovic also met with General Milivoje Petkovic, deputy commander of the Croatian Defense Council. The two men agreed on the details of the evacuation of Croatian civilians, primarily from central Bosnia, through the territory of the republic of Srpska. According to Milovanovic, this was a review of the practical implementation of the recently reached agreement between the governments of the republic of Srpska and the Croat republic of Herceg-Bosna. [passage omitted]

Refugees Fleeing Izetbegovic 'Dictatorship'

LD2010160493 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 20 Oct 93

[Text] There was no major fighting in the autonomous province of western Bosnia today but the situation remains tense. Gunshots can be heard continuously along the separation line in the municipality of Velika Kladusa.

One thousand one hundred fourteen citizens, 70 of whom are now in serious condition, have been detained, interrogated, and abused in Cazin and surrounding villages over the past couple of days, the information service of the Cazin municipal assembly has reported.

At the same time, an increasing number of refugees fleeing Izetbegovic's military dictatorship are leaving the Cazin area and arriving on the free territory of the autonomous province of western Bosnia. The war presidency of the Velika Kladusa municipality has decided to facilitate unhindered passage to all citizens and prisoners from Bihac and Cazin who wish to cross over onto the free territory of the autonomous province of western Bosnia. This would be done through the mediation of European observers and the UNPROFOR [UN Protection Forces] French battalion.

Army Says New Evidence Emerging Against Abdic

AU2010205293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 20 Oct 93

[Text] During our program we received a communique issued by the Press Center of the Army of Bosnia-Herzegovina, which states the following:

New evidence is arriving from the Command of the 5th Corps of the Army of Bosnia-Herzegovina on cooperation, coordinated combat activities, and joint conspiracy by the Krajina rebels, led by Fikret Abdic and the Serb-Montenegrin aggressor .

A plan codenamed Operation ZB [Zapadna Bosna—Western Bosnia] was found yesterday on captured members of the terrorist groups of Fikret Abdic. The plan shows an attack on Cazin worked out in great detail. The operation led by Nevzad Djeric Kedzo was supposed to establish the authority of the autonomy-seekers in Cazin, and install Hafes Sabljakovic, Alija Besirvic, Natko Muhamedagic, and the commander of the so-called South Operations Group as leaders.

According to the plan, the autonomy seekers were intending to arrest members of the commands of the 503d and the 504th brigades and expel them, and completely abolish the 504th brigade. Operation ZB was approved by Fikret Abdic personally. He is presenting himself as the supreme commander of the so-called army of his hypothetical tiny state.

As stated in the 5th Corps communique, the sick illusions of the great enigma [reference to Abdic] were broken with an energetic and efficient action by members of the 5th Corps. Abdic's army surrendered without firing a single bullet.

Although talks with the representatives of the autonomy-seekers from Velika Kladusa were scheduled for 17 October, the talks did not take place because Abdic banned them and personally refused any form of consentaneous and peaceful settlement of the current complex military-political situation.

Considering that the Serbs would achieved their strategic and long term aims with the creation of an autonomous region in this part of the Republic of Bosnia-Herzegovina, they are not hesitating to offer Abdic all kinds of help. Another Zastava type of truck with arms and ammunition arrive in Polje near Kladusa from the so-called republic of Serbian Krajina three days ago.

Yesterday's joint artillery attacks by Abdic's rebels and the Serbian aggressor on Bosnia-Herzegovina Army positions in the region of the Johovice region are yet another proof of the shameful betrayal of Fikret Abdic and his rebels. As stated in the 5th Corps communique, it is high time for all those who have been misled to come their senses, because the entire Bosnia-Herzegovina public and our workers abroad have recognized in the actions by Fikret Abdic a classical betrayal of the Bosniak people and our only homeland, the Republic of Bosnia-Herzegovina.

The cooling-off process has begun in the Velika Kladusa commune, where forceful mobilization is being avoided en masse. People simply do not want to kill their brothers, the fighters of the Army of the Republic of Bosnia-Herzegovina, over the interests of those who rejoice over the blood shed by their brothers, and who are fighting exclusively for power and in doing so are protecting war profiteers and criminals.

This was stated in the communique of the Press Center of the Army of Bosnia-Herzegovina.

UNPROFOR: Main Fronts 'Reasonably Calm'

AU2110125093 Paris AFP in English 1232 GMT 21 Oct 93

[Text] Sarajevo, Oct 21 (AFP)—The situation on the main fronts in Bosnia-Herzegovina was "reasonably" calm with only isolated reports of clashes, UN Protection Force [UNPROFOR] spokesman Bill Aikman said here Thursday [21 October].

He said there had been intense artillery fire along the front-line north of Sarajevo's Kosevo hospital on Wednesday. He also said there had been an increase in sniper activity in two Sarajevo neighborhoods under Serbian control.

Light arms fire from Croat positions against the central Bosnian town of Gornji Vakuf and shelling of the mainly Moslem eastern town of Gorazde by Serbian forces was also reported.

Aiken said two teams of United Nations and European Community observers had been robbed of money and personal effects in the area around Jablanica in the south. The region is under the control of Bosnian government forces.

End of Tudjman 'Flirtation' With Abdic Viewed

AU2010202493 Rijeka NOVI LIST in Serbo-Croatian 13 October 93 p 2

[Commentary by Drazen Vukov-Colic: "Baboland—Castles in the Air"]

[Text] Washington will certainly not be very enthusiastic about what the delegation of U.S. representatives will say about the talks with [Bosnian President] Alija Izetbegovic. The president of this unconfirmed country, which is quickly melting away even before the first snows (after Abdic, ideas about autonomy are also multiplying in the Sava Basin region, in the regions of Zepce, Tuzla, and Zenica), is still dreaming about "an undivided Bosnia," "a war to ultimate victory," "international help," and "sanctions against Croatia." And while, after the meeting between Izetbegovic and [Croatian President] Tudjman in Vienna, some European observers nevertheless started talking about "a small step forward," and [Bosnian Foreign Minister Haris] Silajdzic and [Croatian Foreign Minister Mate] Granic have for weeks been conducting difficult negotiations about primarily humanitarian obligations arising from a feeble Croat-Muslim agreement, even THE NEW YORK TIMES—the daily which has often attacked Clinton because of the broken promises given to Izetbegovic at one point—is now revealing that the Muslim leader has definitely decided to continue the guerrilla war indefinitely, fighting for all that he thinks belongs to him. Fighting for a year, three, five, or 10; some Muslim self-proclaimed strategists say that the "real turnaround" will come as late as spring 1995. Already at the "Bosnjak" session, which rejected the proposal by Owen and Stoltenberg, many were speaking about the "abundant biological masses" who are yet to be drawn into "the just war against an unjust peace."

Europe is confused, Washington is running away from dangerous international commitments, while Croatia has nevertheless become much more careful after many "yellow cards" [referee's indication of a foul in soccer] which it received from many international potentates for its politics toward Bosnia. And so President Tudjman suddenly denies any kind of strategic flirtation with Fikret Abdic according to the old diplomatic rule that says that one should deny most decisively what is most obvious to many. He is even openly saying that "conflict of forces under Abdic's control with forces lead by Izetbegovic harms internal interests and relations in the Bosnian-Muslim republic and the planned union." Regardless of the overt malice that, for a short period of time, has taken over the Croatian media, Izetbegovic should not become so weak as to to let Karadzic do as he pleases, so that general chaos might again threaten Herzeg-Bosna, and root out the Croats, who have been decimated as it is in the center of their bloodstained neighbor [Bosnia-Herzegovina], and spread ideas about autonomy even outside territories occupied by the Croats. For even if Abdic succeeded with his buffer-Baboland [Babo—"Daddy"—is Abdic's nickname] between Zagreb, Knin, and Banja Luka, western Bosnia could turn into a dangerous weight on the scale, which could in peacetime constantly politically and economically blackmail all three sides in the continuous reshaping of Croat-Serbian relations. Abdic is probably dreaming about that, so others should keep their eyes even more open.

Such moderate statements by Tudjman will probably be received well in the general international environment, although they are based on something which practically no longer exists: the Owen-Stoltenberg plan for a tripartite union, which some have already dubbed the Tudjman-Milosevic plan. If that idea about a "union without a joint state" does not manage to be politically implemented, we are left with just an endless war or "an imposed peace under the auspices of NATO," which would definitely result in recreating a kind of Yugo-Balkan confederation. And no one in Croatia wants that, so the Croatian policy toward Bosnia is thus turning to long-term Croatian interests.

Agreement Reached on Housing Refugees in Croatia

LD2010212493 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 20 Oct 93

[Report by Correspondent Darko Herceg for Croatian Radio]

[Text] Croatian and Slovene Foreign Ministry delegations met in Bizeljsko [Slovene side of border with Croatia] this afternoon.

The delegations were headed by [Foreign] Ministers Lojze Peterle and Mate Granic. During a brief encounter with reporters after this working meeting, Croatian Foreign Minister Granic said that agreements on mutual economic relations and trade, financial transactions and ownership, and legal issues have been finalized.

The Croatian side, Minister Granic said, presented fresh proposals on the resolution of the Ljubljana Bank's status in Croatia. The Slovene side will declare itself on this in a week.

A long-term solution to the problem of power supplies from the Krsko [nuclear power] plant has been agreed, and talks between experts on border issues between Croatia and Slovenia will continue.

In talks with his Slovene counterpart, Lojze Peterle, Minister Granic explained the problems encountered in the accommodation of refugees from central Bosnia in Slovene-owned holiday complexes [in Croatia]. Full unanimity has been reached on this issue because, as was also confirmed by the Slovene foreign minister, 1,400 refugees will be accommodated in the Slovene holiday complexes in Istria with the full consent of the Slovene side. This will be a temporary solution, and Croatia promised it would pay indemnities for any possible damage. The private property of Slovene citizens will not be used for the accommodation of refugees, said Croatian Foreign Minister Mate Granic.

Croats Reject Apology

AU2010172393 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 20 Oct 93

[Text] Brigadier Drago Krpina, head of the Political Section of the Croatian Army, at today's news conference in Zagreb stated that the Croatian Army had taken the Slovene holiday homes only in order to protect them. He also added that the buildings stand on Croatian territory and, thus, the Croatian Government need not apologize for this.

Serbia

Milosevic Dissolves Assembly, Announces Elections

AU2010184793 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 20 Oct 93

[Text] Good evening esteemed viewers. Slobodan Milosevic, president of the Republic of Serbia, has dissolved the People's Assembly of the Republic of Serbia. Elections for the new assembly have been scheduled for 19 December of this year. President Slobodan Milosevic signed the decision on dissolving the assembly this evening in the presence of the chairman of the People's Assembly and the Serbian Government.

Milosevic Addresses Nation

AU2010190693 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 20 Oct 93

[Statement by Serbian President Slobodan Milosevic in Belgrade on 20 October—recorded]

[Text] All citizens of Serbia have recently had a chance, especially in the past few weeks, to see for themselves what our assembly's sessions look like. At a time when it is necessary to achieve great unity in order to achieve something good for Serbia and its citizens, certain political parties and their representatives in the People's Assembly have blocked with their behavior the mechanism for making decisions in the People's Assembly.

I am sure that we could not find many citizens in the entire Serbia who would approve of this situation. Therefore, I think that the quickest and cleanest way out of this parliamentary crisis is to enable the citizens of Serbia, the only ones who have this sovereign right, to elect a new parliament for our Republic.

I want the citizens of Serbia to elect a parliament of which Serbia can be proud. At a time of great pressure on our country we need a parliament that Serbia can be proud of.

Therefore I wish the citizens of Serbia success in the upcoming parliamentary elections.

Assembly Chairman Calls Elections

AU2010194793 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 20 Oct 93

[Statement by Zoran Arandjelovic, chairman of the Serbian Assembly, in Belgrade on 20 October—recorded]

[Text] In connection with the decision by Serbian President Slobodan Milosevic to dissolve the Serbian National Assembly elected in December 1992, I would like to inform the citizens of Serbia that—exercising my constitutional rights—I have decided that elections for deputies of the Serbian National Assembly are to be called for 19 December 1993.

I am convinced that, exercising their rights, the citizens of Serbia will once again express their will in the right way. Let me also add that, since today is an important day for many Serbs, these elections will be successful. [sentence as heard]

Dacic, Seselj Reaction

LD2010222493 Belgrade TANJUG Domestic Service in Serbo-Croatian 2054 GMT 20 Oct 93

[Excerpt] Belgrade, 20 Oct (TANJUG)—The president's move was in conformity with the republican constitution, because the president has the right to dissolve parliament at the government's proposal, Ivica Dacic, federal deputy and spokesman for the Socialist Party of Serbia [SPS], told reporters.

The parliament was dissolved "so the people could respond to all the events in the republican parliament and to its inefficiency" Dacic said, forecasting that the SPS will be "very successful" at the elections.

The first reaction of Vojislav Seselj, the leader of the Serbian Radical Party [SRS], was: "Milosevic lost his head in addition to his nerve. He has nothing better to do than dissolve parliaments."

Seselj declared that Milosevic had violated the Constitution because, in his opinion, he could not have dissolved parliament during a debate on confidence in the government.

"Such a case is unheard of in history, and I do not believe it will bring much good," Seselj said.

Asked whether he was surprised, Seselj replied: "It is surprising that Milosevic would make such an impetuous move. This reflects great fear."

According to Seselj, the Radical Party is not afraid of the elections, and a decision on participation in the elections will be reached by the main committee next week. [passage omitted]

Democratic Party Reaction

LD2010205593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1956 GMT 20 Oct 93

[Text] Belgrade, 20 Oct (TANJUG)—Dragoljub Micunovic, the leader of the Democratic Party of Serbia [SDS], believes that the dissolution of the Serbian parliament was a very risky decision. He stressed at a news conference in the Federal Assembly this evening that such a move was surprisingly premature because the government had not fallen yet.

This could have been expected but should have been done more elegantly and with more arguments, Micunovic said, while predicting a stormy political winter.

The idea of an interim government would have been more acceptable to the Democratic Party, because a general

consensus among all the parties would have ensured the preparation of elections and the normalization of the situation in the country.

Unfortunately, the president has continued making decisions by himself, Micunovic said, adding that we were entering a political and state crisis in the middle of the most profound international crisis.

Micunovic pointed to the repercussions this will have on federal bodies—the government and parliament.

Hungarian Leader's Reaction

LD2110104193 Belgrade TANJUG Domestic Service in Serbo-Croatian 0844 GMT 21 Oct 93

[Text] Novi Sad, 21 Oct (TANJUG)—Yesterday I was taken by surprise on hearing about President Slobodan Milosevic's decision to dissolve the Assembly of Serbia. Today, however, I see it as a logical move by the president prompted by what happened and what was said in the parliament over the last few days, Andras Agoston, leader of the Demoratic Community of Vojvodina Magyars told TANJUG today.

In the present complex circumstances, I find it both acceptable and correct to seek the opinion and confidence of the people but only if in the preelection period the central media, in particular, are put under direct democratic control and foreign factors, such as the CSCE and similar organizations, are involved, Agoston said.

In the view of the leader of Vojvodina Magyars, the decision to disband the Serbian parliament can affect the future of the Vojvodina Assembly.

Macedonia

Foreign Ministry Announces Recognition by Belgium

LD2110093193 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 21 Oct 93

[Text] The Kingdom of Belgium yesterday recognized the Republic of Macedonia, the Ministry for Foreign Relations in Skopje has announced. The recognition is rectroactive and backdated to when Macedonia was admitted to the United Nations [8 April 93]. Activities are under way to establish diplomatic relations between Macedonia and Belgium.

Trucks on FRY Border Waiting Up to Three Days

AU2010134793 Skopje MILS-NEWS in English 20 Oct 93

[Unattributed report: "Border Jam At Tabanovce"]

[Text] Passengers coming from the Federal Republic of Yugoslavia [FRY] to Macedonia at the border crossing Tabanovce have to wait 3 to 4 hours to enter the country. Trucks, in the line of 10 km, have to wait at least 2 to 3 days. Private freight forwarding firms are expressing a great deal of dissatisfaction. Unofficially, Macedonian custom officials also complain because the jam is caused by many trucks who transport smuggled goods for Macedonian private firms.

Chief of the custom unit at the border crossing Trajsa Popovski explained that trucks are requested to show a document which proves that the payment for the freight has been made legally, through the Macedonian National Bank. This request is a direct implementation of UN Resolution 820.

Leader of Macedonian SDA Arrested in Serbia

AU2010134193 Skopje MILS-NEWS in English 20 Oct 93

[Unattributed report: "Halilovic Arrested in Serbia"]

[Text] Unofficial sources claim that Halilovic, leader of the SDA (Party of Muslims in Macedonia) has been arrested by the Serbian police in Vranje. Apparently, charges on illegal entry in Yugoslavia have been raised against him.

Kosovo

Albanian Party's Visit to Belgrade Seen as 'Mistake'

AU2110074093 Pristina KOSOVA DAILY REPORT Nr. 211 in English 20 Oct 93

[Unattributed report: "Democratic Alliance's Visit to Belgrade Sparks Outrage"—issued by the Democratic League of Kosovo]

[Text] The Democratic Alliance Party (DPA) of Albania sparked a wave of outrage by sending a delegation to meet with opposition parties in Belgrade this week. RILINDJA DEMOKRATIKE, the Tirana-based Democratic Party's newspaper, and BASHKIMI, the independent newspaper sympathetic to Berisha's government, issued seething statements on the occasion. The Prishtina-based BUJKU also carried similar comments on the visit.

The Democratic League of Kosovo's Vice President Dr. Fehmi Agani was equally disappointed. "This visit comes as a great surprise to us," he said. "We are disappointed because we did not expect someone from Albania to meet with the Socialist Party of Serbia, although they say they met with the opposition. If the reports that are circulating around here are true, they have acted on their own," he said. "Each party can choose their own way how to do politics and survive, but we do not need an Albanian party to come and talk about the problem of Kosova in Belgrade without consulting with us first," Agani said.

While Mrs. Luljeta Pula, president of the Social-Democratic Party of Kosova, said in today's BUJKU that the visit of the delegation of the DPA of Albania to Belgrade, primarily their meeting with the ruling Socialist Party of Serbia is a mistake, and politically harmful. It is also a political failure especially now when preparations for a global solution of the crisis in former Yugoslavia by the international community are underway, said Mrs. Pula.